

# A business guide to development actors



Introducing company managers to the development community



World Business Council for  
Sustainable Development



**IBLF**  
THE PRINCE OF WALES  
INTERNATIONAL BUSINESS  
LEADERS FORUM



### The International Business Leaders Forum

[www.iblf.org](http://www.iblf.org)

The Prince of Wales International Business Leaders Forum (IBLF) is a non-profit organization established in 1990 to promote responsible business practices that benefit business and society and contribute to sustainable development. The IBLF believes that business has a significant role to play in addressing the downsides of globalization: poverty, social inequity, and environmental degradation. With a membership of over 80 companies from around the world, the IBLF works at strategic levels as well as in developing/transitional countries.



### The World Business Council for Sustainable Development

[www.wbcasd.org](http://www.wbcasd.org)

The World Business Council for Sustainable Development (WBCSD) is a coalition of 170 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. The **WBCSD Sustainable Livelihoods project** is conducted by a pool of visionary members who are prepared to share their experiences, their successes and failures in doing business at scale in the poorest regions of the world, in ways that benefit the poor and the companies. The Sustainable Livelihoods project also has a brokering role to encourage novel partnerships between companies and in working with donors to build 'investment friendly' institutional capacity. In addition, the project delivers processes to help companies constructively work with other development actors, such as governments and stakeholders, who create the framework within which business operates.

### Acknowledgements

This guide has been produced with input from World Monitors Inc. and CASIN, as well as generous support from the Inter-American Development Bank.



**CASIN**, a Swiss private not-for-profit foundation established in 1979, works in the areas of (1) *Capacity building* through training of leaders from governments, business and civil society in governance; (2) *Problem solving and facilitation* in conflict and post-conflict situations as well as sustainable development and international trade; (3) *Research and coaching* to assist policy-makers, negotiators and senior managers in their search for policy options to improve the governance of national societies and the international system.



**The Inter-American Development Bank (IDB)** supports economic and social development and regional integration in Latin America and the Caribbean. It does so mainly through lending to public institutions, but it also funds some private projects, typically in infrastructure and capital markets development.



**World Monitors Inc. (WMI)** is an international human rights consulting firm based in New York City which provides multinational corporations with strategies for risk prevention and brand protection in the global economy. WMI publishes an annual *UN and NGO Profiler for the Business Community* as well as regular reports on corporate responsibility including: *eMonitors*, an electronic weekly newsletter covering developments in business and human rights; *eMonitors Legal Report*, a quarterly newsletter, reporting on legal developments; and a monthly *eMonitors China Report*, examining critical social, environmental and economic issues in China for the business community.

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**!! More profiles are available on [www.wbcsd.org/web/devguide.htm](http://www.wbcsd.org/web/devguide.htm) !!**

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# Foreword

The International Business Leaders Forum (IBLF) and the World Business Council for Sustainable Development (WBCSD) have found that collaboration among business, government, and civil society is an essential way to deal with global issues which increasingly affect business, such as poverty. These challenges require sustainable solutions – which we believe may be found through soundly regulated markets. Yet market solutions to poverty are extremely complex – too complex for one sector alone to have all the answers and resources. *Doing business with the poor – a field guide*, a recent WBCSD publication, singled out cross-sector partnerships as a key success factor of ‘Sustainable Livelihoods businesses’ – new business models that benefit both the poor and the companies. The IBLF book *Business and Poverty* also makes the business case for engagement in pro-poor business opportunities.

As the field of cross-sector partnership becomes more mainstream and professionalized, there is a need for increasingly practical tools and resources to guide organizations through the process of forming and maintaining partnerships. Over the last few years, the IBLF with its partners has developed an extensive understanding of the dynamics of partnerships and has shared this understanding with business through a series of publications and capacity building programs. Its latest addition, the *Partnering Toolbook*, has been designed as a practical means to help companies and stakeholders get the most value out of partnerships and reconcile conflicts of interest.

The *Business guide to development actors*, an outcome of an innovative and continuing alliance between the IBLF and the WBCSD, responds to this growing need by providing business-oriented profiles of organizations in the development community. The profiles are prefaced by an analysis of the expanding scope for collaboration between the private sector and development organizations. The intended audience for this guide is business managers looking to work with development organizations, but who are unclear where to start in the search for effective partners.

The guide has been produced in conjunction with a more comprehensive, searchable website. Many development organizations have contributed enthusiastically to this guide by tailoring their profiles to business needs. In helping the IBLF and the WBCSD fill a critical information gap, they are demonstrating their willingness to engage companies more systematically in their development efforts. In time we hope that the website will offer a common platform for development groups to submit descriptions of their activities and their collaborations with companies.

This guide helps to highlight areas of alignment between business and development agendas and is part of an urgent and ongoing effort to deepen and broaden private sector involvement in international development.



Robert Davies  
CEO

IBLF

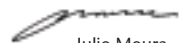


Reuel Khoza  
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Chairs of the WBCSD's Sustainable Livelihoods Project

# Executive summary

“Creating wealth, which is business’s expertise, and promoting human security in the broadest sense, the UN’s main concern, are mutually reinforcing goals. Thriving markets and human security go hand in hand. A world of hunger, poverty and injustices is one in which markets, peace and freedom will never take root.”

Kofi Annan, Secretary General, United Nations.

**This guide aims to introduce the business community to potential partners in the development community. It is a first port of call for managers who are interested in working with a development organization, but unsure of how to begin.**

In recent years there has been a radical change in the attitudes of both non-governmental organizations (NGOs) and development agencies towards the role of the private sector in development assistance. The old, adversarial model of business-NGO relations is being eroded; companies that learn to build constructive cross-sector partnerships gain competitive advantage in new markets, as well as make an active contribution to development. For their part, many development actors recognize that partnering with the private sector can bring benefits, such as innovative technology, scale, and a sustainable model to finance their efforts.

The main part of this guide consists of profiles of 30 organizations already engaging in these new forms of collaboration. The profiles introduce business managers to some of the main development actors and offer a glimpse of the diversity of the development community and the ways in which its goals and strategies are converging with those of business.

Further resources are also listed, including the accompanying website where many more profiles can be found. Each profile includes a section entitled “Overview of the work with the private sector”, which suggests avenues for collaboration, many of which look beyond philanthropy to involving companies through core business operations.

This guide suggests that there is a wide range of partnership possibilities between business and development actors. Some will primarily improve the environment in which companies operate; others will bring financial capital or non-financial resources to business projects that have a positive impact on



development. Examples of cross-sector collaboration include gaining an understanding of specific social issues at the local level; developing low-cost technologies or business training programs for local entrepreneurs and SMEs; establishing independent certification bodies to ensure the sustainable management of natural resources such as fisheries stocks or forests; and encouraging governments to establish the international regulatory frameworks needed to handle global issues such as climate change.

# About this guide

## Objective and scope of the guide

The objective of this *Business guide to development actors* is to help business managers navigate their way in the development community, by providing them with an introduction to key development actors and insights into potential collaboration.

The first section, “Exploring where business and development meet”, shows how some of the long-term goals of the public, private, and non-profit sectors have slowly converged over the last few years. The second section, “Introducing the development community”, provides 30 business-focused profiles of development organizations. The 30 profiles are only a glimpse of a broader resource tool, as the guide has been produced in conjunction with a website that includes information on some 100 organizations. The web guide is available on [www.wbcsd.org/web/devguide.htm](http://www.wbcsd.org/web/devguide.htm)

## A word on research methodology

The guide has been produced explicitly for a business audience, and focuses on international organizations that have demonstrated an interest in working with the business community<sup>1</sup>. Other resources, which we believe are complementary, are listed in Appendix 2.

The selection of organizations for inclusion in the web tool has, by necessity, been subjective. Organizations that feature in the guide are selected to illustrate the diversity of the development community and to show how such groups are increasingly keen to demonstrate their relevance to business.

Initial research was compiled from various resources, including the World Monitor publications and the CASIN database, and supplemented by our own research. In all cases the profile has been approved by the organization. This is not a comprehensive guide – inclusion implies neither endorsement nor accreditation; equally, exclusion does not imply a deliberate oversight. Rather, the intention is to provide a tool that can grow and encourage many more development actors to present their work in business-friendly terms.

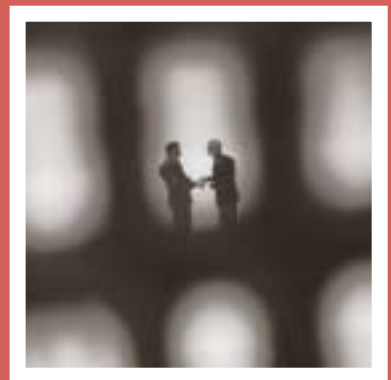
## Introduction

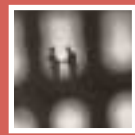
**A** one-minute guide to development assistance for business managers

**T**he case for collaboration

- The development community perspective
- The business perspective

**T**he convergence of the business and development agendas





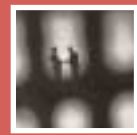
The effectiveness of aid has been questioned ever since countries began to offer development assistance. In recent years, a consensus has emerged that aid appears to be effective when it is provided in countries that are relatively well governed. The question remains, however, of how to improve governance in order to make aid more effective. Often short-term humanitarian relief is provided in weakly governed states; few measures exist to ensure political and economic stability in a country.

The priorities for development assistance are ultimately decided by the host (recipient) country government. However, it is rarely the case that the priorities of the donor countries and multilateral agencies totally coincide with those of the host country. Resulting development strategies (as set out in World Bank-overseen 'Poverty Reduction Strategy Papers') are thus often a compromise between the competing stakeholders.

Donor countries tend to adopt regulations that broadly establish the focus of their activities. Regulations provide essential guidance not only to bilateral agencies, but also to NGOs which, in many parts of the developed world, receive the majority of their funding from the government. So when NGOs consider establishing cross-sector partnerships, they often take guidance from the broad policy priorities that govern the relevant country's development strategy.

For the private sector this has two implications:

- > large multinational companies need to engage in long-term dialogue with the development community in the development of policy. Continuous dialogue ensures that a framework is provided that enables all participant organizations to engage in cross-sector partnerships.
- > in exploring potential collaborating partners, companies can usefully draw on 'Poverty Reduction Strategy Papers', both in order to identify which agencies to work with, and to understand priorities in development policy.



“We now must enter a period of enlightened self-interest where community development objectives are not seen as separate from business objectives, but fundamental to business objectives.”

Carly Fiorina, CEO, Hewlett-Packard.

Poverty has many faces. As described by the World Bank<sup>2</sup>: “Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.”

Wealth creation, one of the core competencies of the private sector, is a vital part of the poverty alleviation process. Leading companies recognize that meeting a range of global challenges, such as protecting the environment and alleviating poverty, is essential to their long-term business success.

Companies have much to gain from working in partnership with not-for-profit organizations to help spur development. These partnerships can arise in the context of a company’s philanthropic activities or as a part of its core business operations. The motivation for and method of collaboration may differ, but it is grounded in the fact that the private sector and development organizations have many long-term goals in common: both have an interest in a stable society; both want to foster income-generating activities and build the capacity of local entrepreneurs; both want to ensure that people are healthy and educated. These shared goals provide a basis for partnership (see “Common ground for collaboration” on page 28).

In addition to these long-term goals, there are some compelling practical reasons for the different sectors to explore alliances. Much has been written about why companies are engaging in corporate responsibility and cross-sector partnership. The business case includes the need to build new relationships with key stakeholders; increase the retention of quality employees; develop new markets; increase operational efficiency; and promote better risk management. Less has been written for a business audience about the motivation of development organizations to form partnerships. The following section highlights some of the trends that have contributed towards an emerging view among leading development groups that business is a viable partner.

2. World Bank Poverty Net website: [www.worldbank.org/poverty/mission/up1.htm](http://www.worldbank.org/poverty/mission/up1.htm)

“A fascinating new understanding has begun to arise between two former sparring partners over the course of only a few years. One of them is private enterprise: driven by profit but always looking for new ideas and opportunities and with a deep interest in conducting its business in a prosperous and predictable environment. The other is the development world: horrified that much of the planet remains so poor but chastened by decades of failed aid programs and misguided experiments in social redistribution.”

“Seeds of a new understanding”, Mark Turner,  
Financial Times IBLF supplement on Business and Development, June 2004.

## The development community perspective

“We have entered a Multilateral Ice Age. The intergovernmental system is not delivering through regulatory approaches. NGOs are now turning to markets forces as a catalyst for change.”

Claude Martin, Executive Director, WWF.

The development community comprises a highly diverse group of organizations, from tiny NGOs with handfuls of employees, to the World Bank with a budget approaching US\$ 27bn. Effectiveness was until recently judged in different terms according to the agendas of the different organizations.

The Millennium Development Goals (see box ‘The Millennium Development Goals’), a set of targets for poverty alleviation and environmental stewardship to be achieved by 2015, have given a clearer focus to international development efforts. The UN system now uses the goals as a common framework to harmonize the work of the various UN agencies, and other parts of the development community also work towards the goals.

However, a recent report<sup>3</sup> has suggested that “the world is failing utterly” to meet the Millennium Development Goals. Part of the answer to meeting the goals lies with foreign direct investment, which now outstrips official aid in many developing countries. There is a growing recognition that private sector investment brings a range of benefits, including technology, employment, and access to markets, which are not core competencies of the development community, but which can be drawn on to help meet development needs. Partnership with the private sector has therefore emerged as an effective, if complex, means to an end. This is increasingly recognized within the development community and can be illustrated by the following examples:

3. Report of the *Global Governance Initiative*, World Economic Forum, January 2004, available at [www.weforum.org](http://www.weforum.org)

- > In 2003 the UN appointed a Commission on the Private Sector and Development following a high-level acknowledgement that the Millennium Development Goals would not be met without the involvement of the private sector.
- > The Inter-American Development Bank states that its private sector development strategy of March 2004 is “built upon the principle that private sector development in Latin America and the Caribbean will assist in fulfilling the poverty alleviation mandate of the Bank”.
- > Every organization contacted for the production of this guide was willing to participate.

## The Millennium Development Goals

In September 2000, 189 heads of state ratified the Millennium Declaration. The declaration is an unprecedented global commitment and one of the most significant United Nations documents of recent times. It offers a common and integrated vision on how to tackle some of the major challenges facing the world. The declaration resulted in eight Millennium Development Goals (MDGs) focused on reducing poverty, improving the quality of people’s lives, ensuring environmental sustainability, and building partnership to ensure that globalization becomes a more positive force for all the world’s people. Specific targets and indicators have been set for each of the goals, to be achieved by 2015 (see Appendix 3).

Beside their philanthropic efforts and their policy influence, companies can contribute significantly to meeting the development goals through their core business operations, either by involving the poor in their supply chain activities, or by supplying appropriate products and services to improve people’s livelihoods in developing countries. Whether it is affordable energy, water, medicines, fortified food or construction materials, companies are looking into new business models to grow their activities in the developing world.

Because these markets are emerging or barely fledgling, companies that are entering these new territories often prefer to work with development organizations that can bring local knowledge, expertise, and skills to the venture and can help ensure that its success creates benefits for all. Increasingly, rich governments are also directing their aid dollars to helping governments in developing countries create the right conditions to attract foreign direct investment and stimulate the growth of local markets.

For an overview of the relevance of the goals for the private sector, see *Business and the Millennium Development Goals: a framework for action*, IBLF/UNDP, 2003. For more information on pro-poor business strategies and “sustainable livelihoods” business models, see *Doing business with the poor: a field guide*, WBCSD, 2004.

“Partnerships are driven by synergy. Government brings scale, political legitimacy, transparency, and legitimacy. NGOs, the ‘content providers’, bring expertise, commitment, and understanding. Businesses bring market connectivity and ‘heft’.”

Bjorn Stigson, President, WBCSD addressing the WEF Annual Meeting, January 2003.

## The business perspective

“Not only can corporate and social needs be integrated, but the success of the developing world in improving its prosperity is of fundamental strategic importance to almost every company.”

Prof. Michael Porter, Harvard Business School in *Tomorrow's Markets*.

Leading companies now recognize that it is in their long-term interest to invest in building safe, secure societies, and that one of the ways to do this is to collaborate with development actors. Competitive pressure and the drive for growth are also encouraging companies to look for new market opportunities in developing countries. By working in partnership with development organizations, companies can benefit from additional skills and expertise that can help them adapt their business models to the needs and specific conditions of developing countries.

Two other trends have made the search for competitive advantage and the need for collaboration more urgent. The first trend is a growing focus on corporate governance. In the wake of corporate governance scandals and public concern over accounting failures, conflicts of interest, and inadequate market oversight, there is massive pressure on business to rebuild public trust and to restore confidence in the private sector. This calls for demonstrably high standards of corporate integrity, accountability, and transparency.

The second trend making collaboration with development communities more attractive is the growing pressure for corporate citizenship. In the face of high levels of international insecurity and poverty, the backlash against globalization, and mistrust of big business, companies are being asked to deliver wider societal value and to show that globalization is inclusive and that markets can work for all. This calls for effective management of the company's wider impacts on and contributions to society. These challenges include access to training and education, healthcare, water, energy, credit, and markets, as well as tackling problems such as corruption and money laundering.<sup>4</sup>



## Different types of partnerships

Companies' pro-poor business strategies can gain significantly from partnering with development organizations. The types of partnerships and their corresponding benefits can be broadly grouped in three categories:



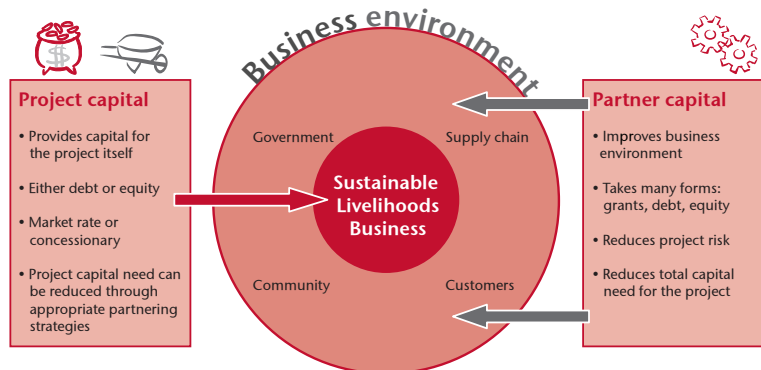
**Project financial capital:** Companies can raise additional financial capital from development banks or other donors to co-finance a business project with clear environmental or socio-economic benefits.



**Project non-financial capital:** Development organizations also offer a new range of skills, resources, and market knowledge which includes briefings; training material and guidelines on specific issues; local knowledge of market conditions such as market research and feasibility studies; risk mitigation instruments; and awareness and education campaigns. These additional capabilities often improve the chances of success of emerging markets strategies and effectively reduce the overall costs or minimize the risks of doing business in developing countries.

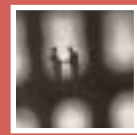


**Partner capital:** Another sphere of activity undertaken by development organizations, of interest to companies, relates to initiatives that create an 'enabling environment' in which business can flourish. These activities range from improving framework conditions (i.e. institutional and regulatory frameworks which affect the investment climate), to promoting the development of local capital markets and local enterprises (hence helping companies grow reliable supply chains) and empowering local communities through health programs, capacity-building initiatives and access to finance (thereby creating a larger customer base and a more employable workforce). Although the company is not the direct beneficiary of these activities, it gains enormously from these efforts to create the right conditions for local markets to grow.



For more information, see *Finding capital for sustainable livelihoods businesses*, WBCSD, 2004.

# THE CONVERGENCE OF THE BUSINESS AND DEVELOPMENT AGENDAS



While there remain a large number of development organizations which are opposed to different aspects of corporate activity, there has been a clear increase in the number of development organizations not only willing to work with the private sector, but actively seeking corporate partnerships. Similarly, while many companies remain unconvinced of the need for collaboration with non-traditional partners, a consensus is emerging among leading businesses that such alliances can be useful. The following graph identifies some key events that illustrate this growing convergence of interest.

**1991: Amnesty International UK Business Group established**  
A mainstream international NGO acknowledges the role of business in upholding human rights.

**1989: Fall of Berlin Wall; collapse of communism**  
Three billion people enter the market economy. This has major implications for Western business operating in areas of unprecedented risk and opportunity.

**1987: Publication of Our common future by World Commission on Environment and Development**  
The term 'sustainable development' is coined, referring to development which 'meets the needs of current generations without compromising the ability of future generations to meet their needs'.

**1992: Rio Earth Summit**  
Agenda 21, the UN Framework Convention on Climate Change and the Rio Declaration are agreed upon.

1987

1990

1993

**2001: EU green paper on corporate social responsibility**  
The European Community affirms the increasing political importance of corporate social responsibility by creating a regional framework for implementation of CSR practices.

**2001: Doha Declaration**  
Initiated at the fourth WTO's ministerial conference in Doha, Qatar, this new round of trade negotiations focuses on promoting development. The round was meant to be concluded by 2005, but the process was delayed due to the failure of negotiations in Cancun in September 2003. Negotiations resumed following an agreement in July 2004 to prioritize sensitive issues such as agricultural subsidies.

**2001: NEPAD**  
The New Partnership for Africa's Development comes into being to provide a common strategy for African countries to address development issues collectively. One of its prime objectives to promote the continent's integration in the global economy.

**2000: UN Millennium Summit**  
The Millennium Development Goals (MDGs) are agreed upon. This is the first attempt to provide a definitive, global list of development targets, to be met by 2015.

**2000: UN Global Compact**  
An initiative by UN Secretary General Kofi Annan to promote global corporate citizenship. Corporate signatories to the Compact pledge to uphold nine (later 10) fundamental principles in the area of human rights, labor rights, and environmental protection.

2000

2001

2002

Tools have been developed by the IBLF, the WBCSD and others to help guide thinking about the development of stakeholder relationships, from the organization of initial meetings and maintenance of ongoing relationships, to the creation of formal alliances or partnerships (see Appendix 4 – suggested reading).

**This guide provides a tool for companies at the initial stage of this co-operation, where a manager has decided to explore the potential for collaboration with a development organization, but does not know where to start looking.**

**1994: UNEP's Corporate Environmental Reporting report published**

Major companies begin to report voluntarily on environmental performance.

**1996: ISO 14001**

A voluntary international standard for corporate environmental management systems is formally adopted.

**1999: Seattle riots**

The third WTO ministerial conference is cancelled due to 'anti-globalization' protestors. Business is called on to demonstrate that globalization can be inclusive and can benefit all.

**1999: Global Sullivan Principles created**

Reverend Sullivan's corporate governance principles for South African companies are so successful that they are relaunched for companies operating globally.

1996

1999



**2002: Equator Principles**

The banking industry agrees on a framework to assess environmental and social risks when financing projects.

**2002: World Summit for Sustainable Development, Johannesburg**

The importance of working across sectors of society is widely acknowledged.

**2002: Monterrey Conference on Financing for Development**

Aims to forge "a new partnership between developed and developing countries", recognizes and encourages Public-Private Partnerships (PPPs) as an effective way to supply basic services.

**2004: Global Compact Leaders' Meeting**

The world's largest ever gathering of leaders from business, government, and civil society meet to discuss cross-sector collaboration.

2003

2004





## Sample directory

Different types of development organizations

Common ground for collaboration

Sample profiles of development actors

• **Multilaterals:** *Asian Development Bank (ADB) • European Bank for Reconstruction and Development (EBRD) • Inter-American Development Bank (IDB) • International Fund for Agricultural Development (IFAD) • Office of the UN High Commissioner for Human Rights (OHCHR) • Organisation for Economic Development and Cooperation (OECD) • United Nations Environment Program (UNEP) • United Nations Industrial Development Organization (UNIDO) • United Nations Office of the Global Compact • World Bank • World Trade Organization*

• **Bilaterals:** *Canada: Canadian International Development Agency (CIDA) • France: Agence Française du Développement (AFD) • Germany: Gesellschaft für Technische Zusammenarbeit (GTZ) • Norway: Norwegian Agency for Development Cooperation (Norad) • Sweden: Swedish International Development Agency (Sida) • UK: Department for International Development (DFID) • USA: United States Agency for International Development (USAID)*

• **Non-government organizations (NGOs):** *Amnesty International • ApproTEC • Development Alternatives (DA) • Human Rights Watch • International Institute for Sustainable Development (IISD) • Greenpeace International • Overseas Development Institute (ODI) • TechnoServe • The International Save the Children Alliance • Transparency International (TI) • World Resources Institute (WRI) • WWF*

!! More profiles are available on [www.wbcsd.org/web/devguide.htm](http://www.wbcsd.org/web/devguide.htm) !!





## Multilateral agencies

“The public sector has realized that the MDGs will not be achieved without a strong engagement of the private sector. Let’s not be ideological about development, let’s be practical.”

Peter Woicke, Executive Vice President, International Finance Corporation.

### What are multilateral agencies and what are their defining characteristics?

The major multilateral institutions were established in the immediate aftermath of the Second World War in order to prevent the occurrence of another world war, and to promote international stability. Multilateral agencies represent groups of governments but enjoy an independent legal and operational status. They include the United Nations system and regional organizations such as the Asian Development Bank. Some agencies, such as the international financial institutions (foremost among which are the World Bank and the International Monetary Fund) work with the private sector on a routine basis, and are among the most influential multilateral agencies. The Organisation for Economic Cooperation and Development (OECD) is another important organization in this context, as it coordinates policy for the development efforts of the world’s richest countries through the Development Assistance Committee (OECD-DAC). The European Union has in recent years become a significant development actor. By channeling large parts of their development assistance through the EU, member states have made it the world’s greatest development assistance provider.

### A view from the UK on multilateral lending institutions

The UK Department for International Development (DFID) argues that “the strengths [of multilateral agencies] lie in the scale of their lending, their operations across the globe, the degree of influence they bring to bear on the policies and priorities of borrowing member countries, and their capacity to exercise intellectual leadership on global issues.”<sup>5</sup>

### How are they funded?

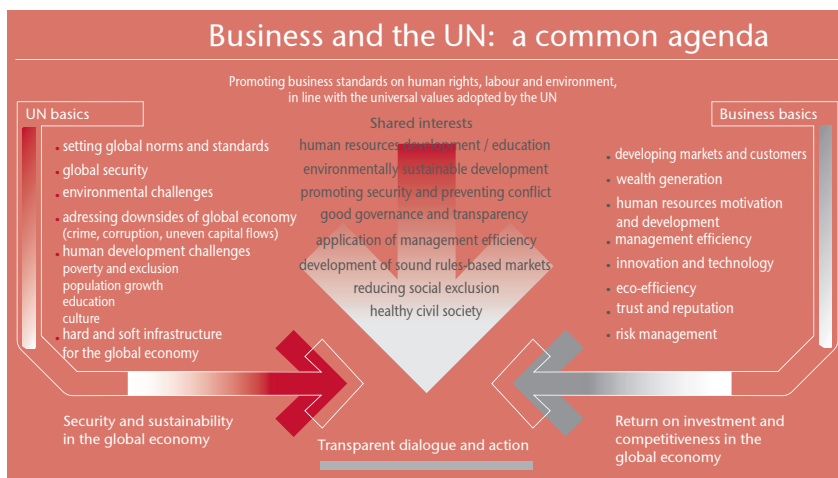
Multilateral agencies are funded primarily by member governments, often through their bilateral development agencies. Most multilaterals have operating budgets of several hundred million dollars, while the World Bank’s annual budget is close to US\$ 27bn. Multilateral agencies tend to be bureaucratic relative to the private sector, partly because of the political ramifications of decisions and the need to justify activities to funding parties. Many require consensus-building and complex procedures to move forward on delicate issues. This means that they often work according to much longer timeframes than many companies.

## What are the emerging trends in business-multilateral partnerships?

Policy tends to be influenced heavily by the US and/or other key funding providers. Multilateral organizations often have an official position on working with the private sector, sometimes including a list of sectors that they will not work with. The World Health Organization, for example, says that the defense and tobacco industries are “incompatible” with its goals. However, regardless of official policy, there are individuals who are prepared to engage creatively with the private sector. Much depends on the attitude of those in senior management positions, some of who may have a business background, or at least be sympathetic to the strengths and needs of business.

Parts of the multilateral system that were traditionally antagonistic towards business are now exploring new forms of collaboration with the private sector. Multilateral agencies have always had a role in private sector development; what is changing is the nature of the collaborations that are now undertaken. Where relationships were formerly transactional or commercial, the private sector is now an active participant in the governance, design, and delivery of programs and cooperative initiatives.

Until now, the differences between UN and other multilateral agencies on the one hand, and international business on the other, have received far more attention than the similarities. Partly in order to redress this trend, the diagram *Business and the UN: a common agenda* shows how the priorities of the United Nations system overlap with those of the private sector.



For a comprehensive overview of co-operation between the United Nations system and the private sector, see *Building Partnerships*, United Nations/IBLF 2002.

As overlapping priorities become clearer, multilateral agencies are increasingly keen to align development goals with business objectives, for mutual benefit. Several institutions, such as UNCTAD, UNIDO and the World Bank, have recognized that they have a role in creating an ‘enabling environment’ in developing countries in which private sector activities can flourish.

### Partnership example: Joint approach to market development

The *LPG Rural Energy Challenge*, a public-private partnership between UNDP and the World Liquid Petroleum Gas Association (WLPGA), was formed in 2002 to bring Liquefied Petroleum Gas (LPG) to rural populations. The WLPGA ensures the participation of industry suppliers such as Shell in the initiative. While the technology to supply the gas is readily available, the creation of a viable market depends on the ability to address two central issues: affordability and availability.

The *LPG Challenge* aims to remove the barriers to market development by supporting:

- 1 – the national stakeholder dialogue process;
- 2 – public policy development;
- 3 – technical training and capacity building; and
- 4 – provision of microcredit and development of financing mechanisms.

UNDP is convening workshops and coordinating funding to support multi-stakeholder dialogues in six pilot countries (China, Ghana, Honduras, Morocco, South Africa, and Vietnam) and to develop national project activities. Specifically, the partners are exploring subsidies and financing mechanisms with host governments to make LPG affordable. They are also addressing distribution issues, such as the ownership of small storage and bottling facilities nearer to the target market, to increase local availability.

Companies involved in the initiative work with local governments and stakeholders to help create the necessary conditions for the LPG market to flourish.



## Bilateral agencies

### What are bilateral agencies and what are their defining characteristics?

Bilateral agencies are government departments that provide development assistance to a number of countries, selected on the basis of a combination of development priorities and national interests of the donor country, and the needs of the recipient country. Bilaterals tend to have representatives in recipient countries and often work out of their respective embassies.

Some governments have separate agencies or ministries dealing with development. In others, the development agency reports to the ministry of foreign affairs. The degree to which bilateral agencies are independent from foreign policy considerations varies with political circumstances. The UK has made the practice of ‘tying’ aid (i.e. making aid contingent on certain conditions that favor the donor country) illegal, and other countries have also implemented mechanisms to ensure that aid is used in a way that is most effective for international development. An important part of the work of bilateral agencies is to increase the effectiveness of multilateral agencies, and as such a significant portion of their budgets is allocated to contributions to these organizations.

In addition to undertaking more traditional work on private sector development, such as the strengthening of capital markets, or small-and medium-sized enterprise and infrastructure development, some donors are increasingly devoting efforts to promoting responsible business practices. As well as helping to fund external research, bilateral agencies are also working to support the development of cross-sector partnerships. The United States Agency for International Development, for example, has established a ‘Global Partnership for Development’ program, which has disbursed about US\$ 500m, leveraging an additional US\$ 2bn, to fund cross-sector partnerships.<sup>6</sup>

### How are they funded?

Like other government departments, bilateral organizations bid for funding from the treasury. Some governments are more generous than others in how much they dedicate to official development assistance. Few have reached the agreed target of 0.7% of GDP.

### What are the emerging trends in business-bilateral partnerships?

Within the bilateral community, there are clear leaders in cross-sector partnership. Characteristics of these leading organizations include:

6. For more information see *Exploring the role of development cooperation agencies in corporate responsibility*, IIED and IBLF, 2004

- > the establishment of specific funds for new forms of collaboration with business;
- > active participation, along with business and civil society, in the creation of norms and guidelines governing corporate behavior;
- > the establishment of self-supporting organizations, which have the freedom to work with companies in a less restricted way than a government agency.

### Partnership example: New global microfinance consortium

Deutsche Bank's Microcredit Development Fund (MDF) seeks to alleviate poverty worldwide by helping microfinance institutions (MFIs) grow to scale and achieve sustainability.

Instead of lending MDF money directly to small businesses and individual entrepreneurs among the poor, Deutsche Bank lends it to MFIs, which in turn use the money as collateral to leverage at least double the amount loaned by the fund from local banks. So far, the MDF's not-for-profit status has meant that all the returns were reinvested to capitalize more loans.

Encouraged by the success of the MDF, Deutsche Bank has recently decided to structure a separate US\$50 million facility, the Global Commercial Microfinance Consortium, in an effort to attract commercially motivated investors to the sector and provide returns for their investments.

The US Agency for International Development (USAID) supported this initiative by committing a US\$10 million guarantee to the Consortium. Similarly, the UK's Department of International Development (DFID) has provided a US\$1.5 million grant to the Fund. These contributions are central to minimizing the risks to commercial investors. "The US\$10 million equity and the US\$10 million USAID guarantee provides a 50 % first loss cushion for commercial investors and caps their losses at 75 % of their invested capital", says Asad Mahmood, General Manager of the Deutsche Bank MDF.

By attracting private investors into the microfinance industry, Deutsche Bank hopes to help microfinance institutions become commercially viable and tap into more sources of capital, so they can expand their services to an increasing number of needy people.<sup>7</sup>

## Non-Governmental Organizations (NGOs)

“Traditionally, business has focused primarily on the creation of products or services and the generation of wealth. NGOs, voluntary agencies, and other civil society bodies have, on the other hand, been concerned more with the issues of distributing these products and wealth more fairly among the members of society. At best, they have worked in isolation; at worst, they have been quite antagonistic and even hostile to each other. Recognition on both sides of new realities is changing all this.”

Ashok Khosla, Founder and Director, Development Alternatives.

### What are NGOs and what are their defining characteristics?

An estimate by the Center for Civil Society Studies<sup>8</sup> at John Hopkins University suggests that the NGO sector now represents US\$1 trillion in assets and employs over 19 million people, making it the world’s eighth largest economy.

Following an internet-enabled explosion in the number of NGOs over the past fifteen years, there are now several million organizations around the world whose broad aim is to alleviate poverty. They vary in size from tiny, single-issue groups with very limited funding, to multi-million-dollar global operations with a brand presence challenging that of large private corporations. Some are affiliated to religious groups, some are politically partisan, others seek to be ideologically neutral. However, broad generalizations about NGOs can be made as follows:

- > International NGOs are generally engaged in poverty reduction, and conduct issue-focused campaigns that advocate changes in public policy (eg. Greenpeace, Sierra Fund). Many are based in the North and claim to represent the South. Local and national NGOs, of which there are millions (there are approximately 30,000 in Bangladesh alone), have more specific mandates.
- > Increasingly, large international NGOs, such as Oxfam and Save the Children, have private sector policy functions through which they interact with business.
- > NGOs based in developed countries often have staff based in the developing countries in which they work, or operate in close collaboration with local organizations.
- > There is an increasing debate about the accountability and legitimacy of NGOs, and leading organizations in the sector work hard to maintain their integrity with statements of legitimacy or accountability.

8. *Global Civil Society – Dimensions of the Non-profit Sector*, John Hopkins, Baltimore, 1999, quoted in *The 21st Century NGO: in the market for change Sustainability*, the Global Compact and UNEP, 2003.

- > Some organizations in this sector have developed a reputation over many years for integrity, honesty, and effectiveness. A number of leading NGOs have special representative status at the United Nations, and are recognized as legitimate sources of knowledge and expertise by governments and parts of the private sector.

**“As NGOs’ expertise and contacts evolve, so they themselves will come to be seen by thoughtful companies, investors and government agencies as a source, direct or indirect, of market intelligence.”**

John Elkington and Seb Beloe, *The 21<sup>st</sup> Century NGO: In the market for change* SustainAbility, the Global Compact and UNEP, 2003.

### **The 21<sup>st</sup> Century NGO: in the market for change**

A report produced by the consultancy/think tank SustainAbility, in conjunction with the Global Compact office and the United Nations Environment Program, provides a comprehensive exploration of the current state of the NGO sector, including its strengths and challenges, and the scope for collaboration with the private sector. The report shows how NGOs are increasingly using market forces in order to achieve their missions, for example by influencing consumer behavior, holding governments and corporations to account, and developing sophisticated, market-based tools and mechanisms to ensure that financial growth is not achieved at the expense of wider social or environmental well-being.

For more information, see [www.sustainability.com](http://www.sustainability.com)

### **How are they funded?**

NGOs that receive the majority of their funding from government grants, for example, tend to be fairly low-visibility, performance-driven organizations. Other NGOs are funded primarily by business (this includes, but is not restricted to, business associations), and either explicitly represent the interests of business, or reserve the right to criticize them, or some combination of the two. Another major category of NGOs is funded primarily by donations from private individuals. These NGOs tend to be the most unrestricted in how they operate, and can be very vocal in their criticism of business (and other institutions as they see fit).

## What are the emerging trends in business-NGO partnerships?

As NGOs continue to grow in number, they begin to face the same pressure for brand differentiation as companies. An effective means of differentiating an NGO brand is to demonstrate a willingness to collaborate with the private sector. This is one of the reasons why Oxfam's recent strategy document "supports a market-based approach to create economic opportunities that enable people to meet their needs", and the World Resources Institute "believes in the power of the market to ensure real change".

**"On the NGO side, we are witnessing a shift of understanding of the potential to work with business."**

Mike Aaronson, Director, Save the Children UK.

### Partnership example: Growing the flower business

SC Johnson's Greenlist™ is driving the Raid® brand to increase its usage of an active ingredient derived from pyrethrum flowers, which have natural insecticide properties that degrade quickly in the environment. The flowers are grown in the highlands of East Africa. Kenya produces two-thirds of the world's supply of pyrethrum, and SC Johnson is the largest buyer of the crop.

The company has partnered with ApproTEC, a local social enterprise that develops low-cost technologies, and the Pyrethrum Board of Kenya (PBK) to give pyrethrum farmers better access to appropriate irrigation technologies. There are 200,000 families (nearly one million people) in Kenya growing pyrethrum, but they are earning less than US\$100 per year from the crop. This partnership will market foot-treadle pumps to small-scale pyrethrum farmers so they can improve productivity and diversify crops, vastly improving their families' incomes, education, food security, nutrition, and health.

By the end of the one-year pilot program, several hundred farmers will have purchased irrigation pumps, experiencing as much as a ten-fold increase in their farming incomes. Tens of thousands of other farmers will be aware of the existence of micro-irrigation pumps. By working with ApproTEC to improve the productivity of local farmers, SC Johnson will build a more reliable supply base for this important active ingredient. The company's goal is to increase its purchases, by reducing the price premium versus synthetic alternatives, as the size and quality of the pyrethrum harvest increases.



Companies looking to grow in developing countries face challenges that are common to development organizations working to promote development. Challenges may include: creating an enabling environment for growth (at the institutional and regulatory levels); providing local populations with the means to become active participants in economic activities (for instance through better education, professional training, better healthcare, and access to finance); promoting human rights; or minimizing negative environmental impacts.

The list below gives an overview of key issues, forming the basis of a common agenda for the development community and the business community.

### Poverty reduction & development

- > Agricultural development
- > Industrial development
- > Financial market development
- > SME development
- > Capacity building
- > Technology transfer
- > Trade facilitation

### Investment climate

- > Infrastructure
- > Market reforms
- > Intellectual property
- > Conflict management

### Access to finance

- > Project financing
- > Microcredits

### Sustainable livelihoods

- > Food
- > Water
- > Health
- > Education

### Governance

- > Corporate governance
- > Corruption

### Human rights

- > Indigenous people
- > Labor rights

### Environment

In the web version of this guide, the items on this “issue focus” list serve as search criteria to help business managers identify which organizations are working on areas of particular importance to the success of their business.



Below are 30 profiles of development actors. The content of the profiles has been adapted from publicly available sources such as websites, annual reviews, organizational strategies, and policy statements.

Please note that although the fundamental missions of these organizations may not change, the structure, personnel, and other information can change frequently. The information in these profiles is therefore subject to change and additional research may be necessary, in particular it may be necessary to identify a different contact point within these organizations.

## Profile template

**Organization's full name (ACRONYM)** *www.webaddress.org*

**Category:** "Multilateral", "Bilateral" or "NGO"

**Financial resources:** operating income, budget, fund per annum

**Geographical focus:** global, region, country

**Industry focus:** extractive, communications, etc.

**Issue focus:** human rights, environment, etc.

### Origins and mission

A description of how the organization was formed, including an analysis of previous incarnations where appropriate, and mission statement.

the number of staff employed, and the headquarters location.

### Overview of the work with the private sector

A review of how the organization manages its relations with companies and its willingness to engage with the private sector, as well as an indication of which department acts as a liaison point for the private sector. An overview of the types of partnerships the organization is involved in, how the private sector can contribute to its development work and what benefits business can derive from different types of collaboration. Examples and descriptions of public-private partnerships are included where available.

### Operating methods

An explanation of how the organization works, including a strategic overview if available.

### Funding

A description of where the organizational funding comes from, with percentage breakdowns where available.

### Governance

An explanation of how the organization is run, to whom it is answerable, and how it forms policy.

### Contact

Name and job title of an appropriate contact person where available.

### Geographical spread

The countries in which the organization is active, the presence of regional offices,

*Direct contact:* email, telephone  
*Headquarters:* address, email, telephone

# Asian Development Bank (ADB)

[www.adb.org](http://www.adb.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 52bn (2003)
<b>Geographical focus</b>	Asia and the Pacific region
<b>Industry focus</b>	Agriculture and natural resources, energy, finance, transport and communication, education, health, agro-business, water supply, sanitation, waste management
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance.

## Origins and mission

The Asian Development Bank (ADB) is a multilateral development finance institution dedicated to reducing poverty in Asia and the Pacific. Established in 1966, ADB is now owned by 63 members, both within and outside the Asia and Pacific region.

In November 1999, ADB's Board of Directors approved the Poverty Reduction Strategy, which seeks to combat poverty through the following three pillars:

- > **pro-poor, sustainable economic growth** – to generate employment and incomes, and promote policies that encourage labor-intensive growth;
- > **inclusive social development** – to promote the development of human capital that is the primary asset of the poor, improve access to basic social services, and strengthen the social participation of the poor, including women and other groups vulnerable because of age, illness, disability, shocks from natural disasters, economic crises, or civil conflict;
- > **good governance** – to facilitate participatory, pro-poor policies and sound macroeconomic management, ensure the transparent use of public funds, encourage private sector growth, promote effective delivery of public services, and help establish the rule of law.

## Operating methods

In pursuing its vision of a region free of poverty, ADB

- > lends to the public and private sectors for projects which promote the socioeconomic development of its developing member countries (DMCs);

- > extends technical assistance for preparing projects, for providing advice in areas such as law and policy reform, fiscal strengthening, good government, capacity building, and natural resource management, and for implementing regional activities;
- > manages and administers funds for grants from bilateral donors;
- > provides guarantees for and equity investments in private sector projects;
- > carries out policy dialogue with governments.

ADB also arranges co-financing for its activities from bilateral, multilateral and commercial sources to maximize the development impact of its projects. In 2003, ADB intensified efforts to promote commercial co-financing and guarantee operations by developing initiatives such as trade finance and private sector investment funds. ADB also organized co-financing seminars and training for its staff, DMC officials, and co-financing partners; adopted an active role in structuring and mobilizing financial resources for public-private partnership initiatives; and strengthened partnerships with its co-financiers and risk-sharing partners. In 2003, co-financing and guarantee operations mobilized about US\$ 2.4bn, which represented 40% of ADB's total lending of US\$ 6.1bn.

ADB's development projects and programs in the Asia and Pacific region create business opportunities for the private sector of its member countries. Opportunities include goods, works, and services for projects. A CD-Rom on *Business Opportunities with ADB* is available from ADB's Publications Unit at [adbpublications@adb.org](mailto:adbpublications@adb.org). More details can also be found on [www.adb.org/Business/Opportunities/](http://www.adb.org/Business/Opportunities/)



## Funding

About 70% of ADB's lending for the public and private sectors comes from its ordinary capital resources from three distinct sources: private placements and capital markets in the form of borrowing, paid-in capital provided by shareholders, and accumulated retained income (reserves) that provides a buffer for risks. Loans are also financed from the **Asian Development Fund (ADF)**, which provides concessional terms to members with low per capita gross national product and weak debt-repayment capacity. The ADF has only been given to finance public sector loan projects. As of 31 December 2003, ADF resources totaled US\$ 5.1bn.

In addition, ADB typically raises US\$ 4-5bn a year from bond issues. ADB's borrowing program focuses on ensuring the availability of long-term funds at the lowest cost possible for lending operations.

## Governance

The Bank's highest policy-making body is its Board of Governors, which consists of 63 Governors from member countries. The Board of Governors elects the 12 Directors – eight representing countries within the Asia and Pacific region and four representing countries outside the region. The Board of Governors also elects the President for a term of five years, with the possibility of re-election. The President chairs the Board of Directors and manages the business of ADB.

## Geographical spread

ADB's headquarters are located in Manila, the Philippines with about 2,000 staff from around 50 countries. ADB has 29 field offices worldwide.



### Overview of the work with the private sector

ADB supports private sector development by

- > encouraging reforms to create an enabling environment for investment,
- > promoting public-private partnership,
- > providing direct assistance to private enterprises without government guarantees.

ADB's private sector operation is principally tasked to catalyze private investments and capital flows in its DMCs with the aim of achieving a positive impact on economic development. ADB is in a unique position to mobilize capital to its DMCs because of its considerable regional experience accumulated over decades and, through policy dialogue with member governments, has assisted in formulating policies designed to encourage private initiatives.

In providing **direct assistance**, ADB offers equity, loans, and credit enhancement instruments such as guarantees and complementary financing scheme in its private sector operations. ADB either makes a direct investment or invests indirectly, through financial intermediaries such as investment funds. Loans are normally denominated in any of the major international currencies, but ADB will increasingly use local currency financing in selected countries to mitigate exchange risks. ADB has two guarantee products – political risk guarantee and partial credit guarantee – to mitigate the risk exposure of commercial lenders. The complementary financing scheme is a product where ADB acts as lender of record to a transaction.

ADB was able to assist the first private sector power generating plant in Bangladesh through a build-operate-transfer structure. Aside from extending a direct loan without government guarantee, ADB provided political risk cover and arranged a loan under its complementary financing scheme.

The **Private Sector Operations Department (PSOD)** performs the catalytic role of ADB in mobilizing private capital for DMCs. PSOD capitalizes essentially on the established strength of the Bank, namely in infrastructure sector and financial markets. ADB does not focus on private industrial or agro-business projects, but may consider them if they have links to core capital markets or infrastructure sectors and have special economic merit.

ADB supports **financial institutions and capital markets** projects because they have a significant catalytic impact in channeling foreign and domestic capital to productive sectors of the economy. PSOD is committed to financial sector development by extending the necessary long-term funding to financial institutions so that these in turn can provide companies, including small- and medium-sized enterprises (SMEs), with investment capital. In the financial sector, PSOD assists financial entities such as banks, leasing, and non-bank financial institutions; insurance companies, capital market institutions such as stock and fixed income exchanges, housing finance institutions, and private equity funds.

In Pakistan, for instance, ADB will provide a partial credit guarantee facility to private sector banks. Through this structure, ADB will share the credit risk with participating banks so that they can substantially increase their credit limits and extend more financing to SMEs. This partnership will provide up to US\$ 65m in additional credit from private banks to Pakistan's SMEs.

ADB helps build the infrastructure of developing economies to improve the delivery of essential services to the community. Infrastructure includes telecommunications, power and energy, water supply and sanitation, ports and toll roads. Projects may involve various forms of risk-sharing and ownership arrangements, including build-own-operate (BOO) and build-operate-transfer (BOT) structures.

For example, a 700 MW coal-fired power plant in the Philippines' Pagbilao Island, financed by ADB and private investors and packaged through a build-own-operate-transfer (BOOT) structure has helped improve the investment climate in the Philippines.

In supporting the development of infrastructure and financial sectors in its developing member countries, ADB under its private sector window has recently commenced its local currency lending initiative. It is designed to bridge the gap between the needs of the investors and developing member countries. Local currency

lending is now considered as a better alternative to hard currency lending especially to projects that earn revenues denominated in local currency. ADB has recently introduced an innovative local currency swap mechanism for the Philippines and anticipates doing similar transactions in most of the 44 developing member countries in which it currently operates.

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# European Bank for Reconstruction and Development (EBRD)

[www.ebrd.com](http://www.ebrd.com)

## Origins and mission

The European Bank for Reconstruction and Development (EBRD) was established in 1991. Its mandate is to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiatives from central Europe to central Asia.

## Operating methods

Through its investments, the European Bank for Reconstruction and Development (EBRD) promotes private sector activity, the strengthening of financial institutions and legal systems, and the development of the infrastructure needed to support the private sector.

The Bank encourages co-financing and foreign direct investment from the private and public sectors, helps to mobilize domestic capital, and utilizes donor funding to prepare the way for future projects. It works in close co-operation with other international financial institutions and national governments.

## Funding

The EBRD is owned by 60 member countries (which include the United States, Japan and the members of the European Union), the European Community (the budgetary arm of the EU) and the European Investment Bank. The Bank's capital is provided by its members, and voting powers are in proportion to the number of shares. The Bank does not directly utilize shareholders' capital to finance its loans. Instead, its AAA rating enables the Bank to borrow funds in the international markets by issuing bonds and other debt instruments at highly cost-effective market rates. By raising funds on competitive terms, the EBRD can structure loans which best match the requirements of its clients in its countries of operations.

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 5bn (2003 est.)
<b>Geographical focus</b>	From central Europe to central Asia
<b>Industry focus</b>	Finance, infrastructure, energy, manufacturing, agro-business, property/tourism, telecommunications
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance

## Governance

All the powers of the EBRD are vested in the Board of Governors, to which each member state appoints a governor. The Board of Governors delegates most powers to the Board of Directors, which is responsible for the direction of EBRD's general operations and policies. The President is elected by the Board of Governors and is the legal representative of the EBRD. The President conducts the current business of the Bank under the guidance of the Board of Directors.

## Geographical spread

The Bank's geographical focus is on 27 countries from central Europe to central Asia. Its headquarters are located in London, UK. The Bank employs over 900 staff in its headquarters and 230 locally hired staff in Resident Offices in its countries of operations.



## Overview of the work with the private sector

The EBRD is the largest investor in Central and Eastern Europe and the former Soviet Union. It has a strong presence in all of its countries of operations through a network of more than 30 local offices. The Bank draws on its government contacts, special creditor status and sizeable portfolio to assess and bear risk and to open the options for financing. The Bank invests only where it can provide added value, by investing in projects that could not otherwise attract financing on similar terms. The Bank works in partnership, drawing in other investors to attract triple the amount of investment provided by EBRD.

The EBRD finances specific projects in both the private (70%) and public (30%) sectors. In 2003 the Bank committed US\$ 5.8bn to a record

number of projects across the region, bringing the Bank's cumulative business volume to over US\$ 27bn. Financing is generally provided in the form of loans, equity and guarantees. The EBRD typically funds up to 35% of the total project cost. There must be additional funding from the project sponsor, other co-financiers or generated through the EBRD's syndications program.

### Large projects

EBRD financing for private sector projects usually ranges from US\$ 6.2m to US\$ 310m, averaging around US\$ 31m. For example, the Louis Delhaize Group is working on the construction of three new hypermarkets in Hungary, using a US\$ 195m loan arranged by the EBRD and supported by a group of commercial banks led by RZB of Austria. The project will lead to lower prices for consumers and an increase in demand for goods from local farmers.

The EBRD's loans are structured with a high degree of flexibility to meet clients' needs. Loans are based on current market rates and are priced competitively. However, the Bank does not subsidize projects, nor does it offer soft loans.

The EBRD can acquire equity in amounts ranging from US\$ 2.5m to US\$ 124m in infrastructure, the financial sector and general manufacturing. The terms and conditions of EBRD equity investment depend on risks and prospective returns associated with each project.

The EBRD provides various types of guarantees. These range from all-risk guarantees, whereby the Bank covers lenders against default regardless of the cause, to partial risk-specific contingent guarantees covering default arising from specified events. Precise legal definitions of the events guaranteed and pricing are handled on a case-by-case basis.

### Micro, small & medium projects

Many projects are too small to be funded directly by the EBRD. To give entrepreneurs and small firms greater access to finance, the EBRD channels funding through financial intermediaries, such as local commercial banks,

micro-business banks, equity funds and leasing facilities. Investment criteria are consistent with EBRD policy, but financial intermediaries make independent decisions about which companies they fund.

### Trade Facilitation Programme & Business Development Programmes

The EBRD's 'Trade Facilitation Programme' promotes foreign trade with the Bank's countries of operations. Through the program, the EBRD takes the political and commercial payment risk of transactions undertaken by participating banks. The program can guarantee any genuine trade transaction associated with exports and imports for the EBRD's countries of operations.

The EBRD supports several business development programs that aim to improve the level of expertise in the Bank's countries of operations. These include the 'TurnAround Management Programme' (TAM), which aims to enhance the capabilities of senior management in industrial enterprises, and the 'Business Advisory Services Programme' (BAS), which uses local consultants to provide small enterprises with expert advice on business performance.

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NB : The contact details of the persons responsible for specific industries are available on the EBRD's web site.

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# Inter-American Development Bank Group (IDB)

[www.iadb.org](http://www.iadb.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 15bn (2004 est.)
<b>Geographical focus</b>	Latin America and the Caribbean
<b>Industry focus</b>	Infrastructure, finance
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance

## Origins and mission

The Inter-American Development Bank was established in 1959 'to contribute to the acceleration of the process of economic and social development of the regional developing member countries, individually and collectively.' Since its founding, the Bank has become a major player in mobilizing resources for the region. The IDB provides loans and technical assistance to 26 countries in Latin America and the Caribbean using capital provided by its member countries, as well as resources obtained through bond issues in international capital markets.

## Operating methods

Its principal functions are to:

- > use funds raised in financial markets, its own capital and other available resources to finance the development of its borrowing member countries
- > supplement private investment when private capital is not available on reasonable terms and conditions
- > provide technical assistance for the preparation, financing and implementation of development projects
- > channel resources obtained from donors

## Funding

The Bank's financial resources consist of the ordinary capital (including subscribed capital, paid-in capital and reserves), funds raised in capital markets through bond issues, the Fund for Special Operations, and trust funds.

The IDB's ordinary capital totals US\$ 101bn. The majority is callable capital, which serves as backing for the Bank's borrowings in the

world's financial markets. The Fund for Special Operations, which totals US\$ 10bn, includes paid-in contributions from all member countries. The funds are used to finance loans on concessional terms to economically less developed countries.

## Governance

The Bank is owned by its 46 member countries: 26 borrowing member countries in Latin America and the Caribbean, and 20 non-borrowing countries, including the United States, Japan, Canada, and 16 European countries. Each country's voting power on the Bank's Boards of Governors and Executive Directors is based on its subscription to the IDB's ordinary capital. The proportion of subscriptions is approximately as follows: Latin America and the Caribbean: 50%; United States: 30%; Japan: 5%; Canada: 4%; and other non-borrowing members: 11%.

## Geographical spread

The Bank's geographical focus is exclusively centered on countries in Latin America and the Caribbean. Headquarters are located in Washington, DC.



## Overview of the work with the private sector

The IDB's private sector program has been recently revamped through the approval, in March 2004, of a new Private Sector Development Strategy. The new approach, which deepens and complements the more traditional financing activities in which the Bank has been involved in the areas of infrastructure, capital markets, and micro-, small-, and medium-sized enterprises financing, is built upon the principle that private sector development in Latin America

and the Caribbean will assist in fulfilling the poverty alleviation mandate of the Bank. It revolves around four main strategic directions:

- 1 development of an enabling environment for business;
- 2 financial support for specific private sector projects (including sectors that traditionally did not receive financing from the Bank);
- 3 leveraging developmental impact in underserved markets;
- 4 engaging the private sector in dialogue and action.

As part of the new strategy, the IDB is seeking to partner more closely with private sector companies to leverage the resources, know-how and best practices required to sustain this new approach.

The Bank is involved in private sector investment through four different windows:

The **Private Sector Department (PRI)** of the Bank, created in 1995, primarily mobilizes financing for private infrastructure and capital market operations through long-term lending and the issuance of guarantees. Currently PRI operations are limited to up to ten percent of the IDB's portfolio.

The **Micro, Small and Medium Enterprise Division (MSN)** of the Bank is responsible for coordinating and implementing the Bank's strategy in relation to micro-, small- and medium-sized enterprises, and processing financing for micro-enterprises. This program has been in existence for over 25 years. The Bank's public sector arm also provides financing for micro-, small- and medium-sized enterprises indirectly through local financial intermediaries, with government guarantees (an average of US\$ 1bn/year) and provides financing for enhancing the business climate, through diverse operations for the judicial system, operation of financial markets, trade, taxation and labor markets.

The **Multilateral Investment Fund (MIF)**, an independent fund managed by the IDB, was established in 1993 to promote private sector development in Latin America and the Caribbean. The MIF focuses primarily on creating the proper conditions for private sector activity, particularly for small businesses and micro-enterprise development, through technical assistance, equity investment and grants for private sector development.

The **Inter-American Investment Corporation (IIC)** is an independent multilateral investment institution associated with the Bank. Its mandate is to promote economic development by financing small and medium companies. This mostly consists of direct and indirect lending, but also includes equity investments and services.

Through its four institutions, the IDB makes available a variety of financing products, ranging from long-term local currency financing to guarantees for political risk. This is significantly enhanced by its support to public sector projects that create an enabling regulatory and legal environment for the development of capital markets.

Many types of projects may be eligible for IDB's financial support, which includes:

- 1 debt financing and guarantees to regional/national investment funds, leasing companies or other financial intermediaries;
- 2 start-up debt financing and guarantees for local companies;
- 3 guarantees for local institutions;
- 4 co-lending arrangements.

The IDB is currently engaged in a strong push to enhance the business climate in its borrowing member countries, by conducting assessments of the situation and providing technical assistance, grants, loans and guarantees to solve the identified bottlenecks.

This program is closely coordinated with other multilateral institutions working in the region.

The Bank also produces and disseminates knowledge on private sector development. Among its better known activities are the two annual events: the Inter-American Forum on Micro-enterprise and the Inter-American Conference on Corporate Social Responsibility.

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# International Fund for Agricultural Development (IFAD)

[www.ifad.org](http://www.ifad.org)

## Origins and mission

The International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations, was established as an international financial institution in 1977, following the 1974 World Food Conference. The Conference was organized in response to the food crises of the early 1970s, which affected mainly African countries. The main outcome was the decision to establish an International Fund for Agricultural Development to finance agricultural development projects, primarily for food production in developing countries. An important insight emerging from the Conference was that the causes of food insecurity and famine were not so much failures in food production, but structural problems relating to poverty and to the fact that the majority of the developing world's poor populations were concentrated in rural areas.

## Operating methods

In this context, IFAD was created to mobilize resources for programs that alleviate rural poverty and improve nutrition. Unlike other international financial institutions, which have a broad range of objectives, the Fund has a very specific mandate: to combat hunger and poverty in rural areas of developing countries. In accordance with the Strategic Framework for IFAD 2002-2006, the Fund will continue to work towards enabling the rural poor by fostering social development, gender equity, income generation, improved nutritional status, environmental sustainability and good governance.

IFAD-supported projects increase rural poor people's access to assets they need to improve

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 300m per annum (2003 est.)
<b>Geographical focus</b>	Africa, Asia, Eastern Europe, Latin America, Near East
<b>Industry focus</b>	Agriculture
<b>Issue focus</b>	Poverty reduction & development, access to finance, sustainable livelihoods

their lives. These include secure land rights, markets to buy and sell products, ways to borrow and save, technology to take advantage of opportunities and a voice in decision-making.

Most of IFAD's resources are provided to the governments of low-income countries as loans on highly concessional terms. These loans are used to finance projects and programs that enable rural poor people to overcome poverty. IFAD also gives grants to advance research in areas that would benefit rural poor people, for instance to support agricultural research institutes.

Since its founding, IFAD has committed US\$ 8.1bn to pay for 653 projects and programs in 115 countries (an average of 26 loans per year, worth an average of US\$ 305m per year). It has mobilized an additional US\$ 14.8bn in co-financing from its partners (including US\$ 8bn from governments and other financing sources in recipient countries, US\$ 5.3bn from multilateral donors and US\$ 1.1bn from bilateral donors). The private sector has contributed US\$ 7.2m.

## Funding

The organization has three main sources of funding: contributions from member states, loan repayments, and investment income.

Besides contributing to financing IFAD's loan and grant commitments, Member States may support IFAD's operations through (i) supplementary resources mobilized for project and program co-financing; and (ii) supplementary funds (or trust funds) which are resources held in trust by IFAD for studies, short-term technical assistance or for single or



multi-donor programs under which a number of projects will be developed, financed or co-financed.

### Governance

Membership to the Fund is open to any state that is a member of the United Nations or its specialized agencies or the International Atomic Energy Agency. The Fund's highest authority is its Governing Council, with 163 Member States represented by a Governor and an Alternate Governor. The Governing Council meets annually. The Executive Board, consisting of 18 Members and 18 Alternate Members, oversees the Fund's operations, particularly the approval of its program of work. The President, elected by the Governing Council for a four-year term, is the Fund's chief executive officer and chair of the Executive Board. The current President is Lennart Båge, who is serving his first four-year term.

### Geographical spread

The Fund works in all regions concerned with agricultural development and poverty reduction; namely Asia, Central and Eastern Europe and the newly independent states, Latin America and the Caribbean, Near East and North Africa and sub-Saharan Africa. Its headquarters are located in Rome, Italy.



### Overview of the work with the private sector

IFAD is exploring ways to further promote partnerships with the private sector. The Fund is developing a strategy to involve the private sector more in IFAD programs, particularly through co-financing and other partnership arrangements.

The focus of this strategy is to support IFAD's target group, rural poor people, who are themselves a part of the private sector. The livelihoods of rural poor people often depend on the medium or larger-scale private sector, so IFAD will also support these sectors, but only when a strengthening of their businesses would improve income-generating opportunities for the target group.

One area of interest for IFAD is to create partnerships with agro-business firms in developing commodity markets. In Uganda, IFAD supports the Vegetable Oil Development Project, which helps small farmers improve production methods for palm oil. This project is catalyzing a US\$ 120m investment by a private-sector consortium to develop a crude oil processing and refining plant, providing better market opportunities for small farmers.

IFAD looks to the larger-scale private sector as a source of funds, skills and innovative methods. It understands that gaining access to new markets in rural areas may seem risky to private sector actors. A promising approach for IFAD is to use projects already underway to catalyze private sector investment by reducing investment and transaction costs, and thus lowering an investor's commercial risk.

For instance, IFAD works with rural finance groups to help rural poor people save and borrow money. IFAD support has allowed a private bank, the Agricultural Cooperative Bank of Armenia, to disburse more than 21,000 loans to farmers for a total value of US\$ 14.8m.

In the Philippines, IFAD is helping rural people in Northern Mindanao to increase their opportunities to generate income through a partnership with Deutsche Bank. A loan from the Deutsche Bank Microcredit Development Fund is being used to leverage funds from the Land Bank of the Philippines to a local microfinance institution, which then offers savings and credit services to poor rural women entrepreneurs.

IFAD has also formed a partnership with Kaoka, the organic branch of the CEMOI group, a major French chocolate producer and distributor. After tapping Kaoka's knowledge about the cocoa supply chain, IFAD helped cocoa producers in Sao Tome and Principe to improve the production of organic, superior quality cocoa. Farmers can earn 2.4 times more by selling to Kaoka than they would

earn in the local market and Kaoka benefits because they are guaranteed a stable quantity of high-quality, organic cocoa.

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# Office of the United Nations High Commissioner for Human Rights (OHCHR)

[www.ohchr.org](http://www.ohchr.org)

## Origins and mission

The High Commissioner for Human Rights is the principal UN official with responsibility for human rights and is accountable to the Secretary-General. The mandate of the Office of the United Nations High Commissioner for Human Rights (OHCHR) was recommended at the World Conference on Human Rights in Vienna in 1993 and was established by resolution of the UN General Assembly shortly afterwards. OHCHR's mission is to "protect and promote all human rights for all". OHCHR bases itself on the principle that human rights are universal, indivisible, and interdependent; and that all rights – civic, cultural, economic, political, and social should be protected and promoted on an equal basis and without discrimination.

Much of its work is guided by the Universal Declaration of Human Rights, which was adopted by the UN General Assembly in 1948. OHCHR plays a key role in promoting subsequent human rights treaties (principally the two legally binding covenants on civil and political rights, as well as economic, social and cultural rights) by encouraging universal ratification and by assisting states in implementing these rights.

## Operating methods

The mandate of the High Commissioner authorizes her to act as an advocate for international human rights and to speak out on behalf of victims of human rights violations. The High Commissioner makes frequent public statements and appeals on human rights crises and travels widely to ensure that the human rights message is heard in all parts of the globe.

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 100.8m (2004-2005 est.)
<b>Geographical focus</b>	Africa, Asia, Middle East, Latin America, Eastern Europe
<b>Industry focus</b>	All, extractive
<b>Issue focus</b>	Governance, human rights

OHCHR engages in dialogue with governments on human rights issues with a view to enhancing national capacities in the field of human rights and towards improved respect for human rights; it provides advisory services and technical assistance when requested, and encourages governments to pursue the development of effective national institutions and procedures for the protection for human rights. In 2002, a total of US\$ 11m was spent on technical co-operation activities.

OHCHR also has a monitoring function. The initial purpose of the monitoring is to identify and clarify – in an independent, impartial and objective manner – specific human rights violations, as well as patterns of violations. Furthermore, the purpose of monitoring is also to understand the causes of human rights abuses, as illustrated by research into patterns of violations, in order to lay the basis for action.

Committees of independent experts have been created to monitor the implementation of the various human rights instruments (e.g. treaties, conventions). These committees meet twice a year to examine the current state of play, and they are serviced by the Secretariat of the OHCHR.

OHCHR furthermore provides support for the meetings of the United Nations Commission on Human Rights and its Sub-Commission and follow-up to their deliberations. Its staff assists the numerous experts appointed by these bodies in investigating and reporting on human rights issues.

OHCHR seeks to work with an ever wider range of actors, including NGOs, academic institutions

and the private sector, to instill commitment to human rights as widely as possible.

### Funding

For the two-year period of 2004-2005, the total income of the OHCHR was US\$ 100.8m, of which US\$ 56.8m came from the United Nations regular budget and US\$ 44m from voluntary contributions. The regular budget is made up of the contributions of member states, calculated on the basis of their respective share of the world economy. Voluntary contributions come primarily from governments, but also from foundations, NGOs and private donors.

### Governance

The OHCHR secretariat is structured around five branches:

- > **Capacity Building Branch** – focuses mainly on technical co-operation and assistance to the OHCHR field presences as well as technical assistance to National Human Rights Institutions
- > **External Relations** – develops and implements a communications strategy, maintains and develops media relations, strengthens partnerships with NGOs and strengthens donor relations
- > **Research and Right to Development Branch** – examines and researches policy questions and develops tools to implement international human rights standards
- > **Special Procedures Branch** – services the independent experts appointed by the Commission on Human Rights who monitor the enjoyment of human rights according to specific themes
- > **Treaties and Commission Branch** – services the Commission on Human Rights, the Sub-Commission on the Promotion and Protection of Human Rights as well as the monitoring bodies of the seven principal human rights treaties which are composed of independent experts

### Geographical spread

The OHCHR seeks to bring together different institutions and organizations working for

human rights throughout the world and to encourage them to work with the UN system to advance human rights. OHCHR encourages links between national, regional and international groups and organizations to ensure practical implementation of the findings and recommendations of human rights bodies. To foster those links, OHCHR has working agreements with many organizations, has appointed regional representatives and advisers, and has set up numerous field offices worldwide. Its headquarters are located in Geneva, Switzerland.



### Overview of the work with the private sector

The OHCHR works primarily with governments and civil society to promote human rights, but is increasingly interacting with the private sector to address some of the challenges facing companies in the human rights area.

The activities of OHCHR in relation to the private sector have mainly been carried out in the context of **United Nations Global Compact (GC)**. OHCHR has been assigned the role of “guardian” of the two human rights principles of the Global Compact by the Secretary-General, and as such is expected to provide technical assistance to companies signing up to the Global Compact on the understanding and implementation of those two principles.

OHCHR Global Compact initiatives have included dialogue with business leaders on issues such as business and human rights in zones of conflict, and encouraging human rights special procedures to engage with the business sector. OHCHR has also organized a series of events together with ILO on the issue of discrimination, starting at the World Conference against Racism.

OHCHR is currently planning to develop a training package targeted at companies participating in the Global Compact on the GC human rights principles. OHCHR is also in the process of finalizing two short briefing papers on issues relating to the GC human rights principles, namely ‘sphere of influence’ and

'complicity'. It is envisaged that the briefing papers will be published on the OHCHR website in late 2004.

The OHCHR Secretariat also provides support to the [Working Group on Trans-National Corporations of the Sub-Commission on the Promotion and Protection of Human Rights](#), which drafted a set of Norms for corporations in the field of human rights. The Norms identify equal opportunity and non-discriminatory treatment; the right to security of the person; human rights of workers; respect for national sovereignty; and consumer and environmental protection, as the most relevant norms for companies. The Commission on Human Rights has requested the High Commissioner to submit a report to the Commission in 2005 on the scope and legal status of existing initiatives on the human rights responsibilities of transnational corporations and related enterprises, including the Norms, and on any outstanding issues in this regard. OHCHR is currently engaged in an extensive round of consultation to solicit substantive input to the report.

In addition, the High Commissioner staff has contributed to the debate on how human rights apply to the private sector in speeches, lectures and publications. OHCHR staff regularly undertakes speaking engagements on issues relating to business and human rights, and provides information and advice on an ad hoc basis to individual companies requesting it.

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# Organisation for Economic Co-operation and Development (OECD)

[www.oecd.org](http://www.oecd.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 370m (2004 est.)
<b>Geographical focus</b>	All
<b>Industry focus</b>	All
<b>Issue focus</b>	Poverty reduction & development, investment climate, governance, environment

## Origins and mission

The Organisation for Economic Co-operation and Development (OECD) was founded in 1948 as the Organisation for European Economic Co-operation (OEEC) to implement the Marshall Plan and rebuild European economies. It was transformed into the OECD in 1961 with the broad mission of “promoting policies designed to achieve economic growth and financial stability”.

The OECD is made up of 30 industrialized countries which produce almost two-thirds of the world’s goods and services and thus represent the richest economies of the world. These countries share a commitment to democratic government and the market economy. These values are reflected and promoted in all aspects of the OECD’s work.

While the OECD’s primary objective is to promote strong economies in its member countries, its focus has been shifting to emerging and developing countries. It has working relationships with more than 100 countries worldwide and non-members contribute to the core work of the organization as full participants or observers on various OECD committees and bodies.

The OECD works with member countries to strengthen and better target their development aid, and with non-member countries to formulate policy recommendations and practical tools for financing and managing development strategies.

## Operating methods

The OECD can be described as a “forum where governments work together to address the economic, social and environmental challenges of interdependence and globalization”. This

forum works through dialogue, consensus-building, peer review and peer pressure of other member governments to produce internationally agreed instruments, decisions and recommendations.

The OECD is a source of strong policy analysis and recommendations, and reliable and comparable data. A very useful statistics section is available on its website. The OECD regularly produces surveys of country economic development, environmental performance, development aid, agricultural policies, etc. as well as economic, sectoral and environmental outlooks. Its biennial flagship publication, the Economic Outlook, offers global economic forecasts for the coming two years based on current trends.

At the operational level, the work of the OECD is divided between about 200 committees, working parties and working groups. Research and analysis is carried out by staff in the Secretariat through various directorates, which assist the work of the committees. A few key committees that focus on issues relating to business are reviewed in the section describing the OECD’s work with the private sector.

## Funding

The size of the annual budget is currently about US\$ 370m per year. The OECD is funded by its member countries. The amount contributed to the annual budget by each country is calculated on the basis of the size of each member’s economy. The largest contributor is the United States, which provides approximately 25% of the budget, followed by Japan. Subject to certain conditions, countries may also make separate contributions to particular programs or projects.

## Governance

The OECD's governing body is the Council, which is made up of one representative of each member country plus a representative of the European Commission. The Council decides the size of the annual budget, as well as the program of work to be undertaken by the organization. The Council is also the ultimate decision-making body that supervises the work of the Committees.

## Geographical spread

The OECD's 30 member countries span the globe and include countries as diverse as Turkey, Australia, Switzerland, Portugal, Sweden, Germany, the Czech Republic, Canada, the USA, Mexico, Korea, France, Hungary and the United Kingdom. The OECD's Secretariat employs about 2,000 staff at its Paris headquarters.



### Overview of the work with the private sector

The **Business and Industry Advisory Committee to the OECD (BIAC)** is the main route for companies to engage with the OECD and provide business perspectives on the areas of work being progressed by the organization. Founded in 1962 as an independent body, this membership-based organization is accredited by the OECD as the principal channel for consultation with the business sector. Its website ([www.biac.org](http://www.biac.org)) provides information on OECD initiatives that affect business and presents BIAC's input to the discussions.

Below are descriptions of the work of a few OECD Committees that are of particular relevance to multinational companies.

- > The **Investment Committee** is supported by the Directorate for Financial and Enterprise Affairs (DAF). Since 1976, the OECD has been producing updated guidelines on best practices governing the operations of multinational corporations in a globalized world. The *OECD Guidelines for Multinational Enterprises* contain government recommendations to enterprises. OECD governments have agreed to promote the implementation of these guidelines in their respective countries. The *OECD Anti-Bribery Convention* is a legally binding instrument which entered into force in 1999 as a result of its ratification by all OECD members and five non-member countries. The OECD monitors the changes at the national level through its country reports.
- > The **OECD Steering Group on Corporate Governance** co-ordinates and guides the organization's work on corporate governance. Originally adopted in 1999, the *OECD Principles on Corporate Governance* were revised in 2004 following an extensive review. The principles are intended to help policy-makers in developed and developing countries establish appropriate and accountable frameworks for business activities. Regional Roundtables on corporate governance in Asia, Eurasia, Latin America, Russia and Southeast Europe, and more recently policy dialogue in the Middle East and North Africa provide a platform for advancing corporate governance in emerging and developing economies.
- > The **Environment Policy Committee (EPOC)**, supported by the Environment Directorate, advises OECD governments on environmental policies, particularly in the areas of natural resources management, climate change, decoupling environmental pressures from economic growth in specific sectors (waste, transport and agriculture), and the development and design of effective economic instruments. It produces regular reviews of country environmental performance, as well as environmental data and indicators. The **Chemicals Committee** works with countries, the chemicals industry and civil society to foster international co-operation to ensure the safety of chemicals products.
- > The **Development Assistance Committee (DAC)**, supported by the Development Co-operation Directorate, advises OECD governments on their aid policies and ways to increase their effectiveness. The **OECD**

**Development Center**, a semi-autonomous body, conducts research on prominent socio-economic issues in developing countries to inform OECD countries when formulating their development strategies.

- > The **Trade Committee**, assisted by the Trade Directorate, promotes a strong, open and rules-based multilateral trading system. It encourages an informed debate among its member countries to build consensus towards trade liberalization policies and to support trade negotiations undertaken through the World Trade Organization (WTO).
- > The **Committee on Industry and Business Environment**, assisted by the Science, Technology and Industry Directorate, examines framework conditions for industrial competitiveness and entrepreneurship in the context of globalization and the shift towards knowledge-based economies. It addresses policies that affect the performances of economies at sectoral and firm levels.

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# United Nations Environment Programme (UNEP)

[www.unep.org](http://www.unep.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 120m per biennium
<b>Geographical focus</b>	Global
<b>Industry focus</b>	All, extractive, finance
<b>Issue focus</b>	Environment

## Origins and mission

The mission of the United Nations Environment Programme (UNEP) is 'to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.' Formed in 1972, UNEP advocates for environmental issues within the UN system and works with a range of partners such as national governments, NGOs, the private sector and civil society organizations generally to promote sustainable development.

Its environmental priorities include:

- > Assessing the health of the planet
- > Linking human and environmental health
- > Managing fresh water
- > Improving coastal and marine management
- > Sustainable management of urbanization
- > Promoting sustainable energy use
- > Addressing and mitigating climate change
- > Conserving biological and cultural diversity
- > Linking sustainable agriculture, environmental protection and poverty eradication
- > Forging synergies between trade, finance, environment and development policies
- > Changing production and consumption patterns
- > Engaging civil society and the public
- > Strengthening international environmental governance and law
- > Fostering regional cooperation.

UNEP's leadership role includes providing information and capacity building for

environmental decision making, promoting innovation for sustainable development in industry, and inspiring the participation of all sectors of society in safeguarding and improving the environment.

## Operating methods

A central focus of UNEP's work involves keeping track of global, regional and national environmental conditions and trends. The organization produces a wealth of thematic and regional reports assessing environmental impacts. Examples include the comprehensive Global Environmental Outlook report and the World Atlas of Biodiversity. UNEP works to develop international and national environmental instruments to promote sustainable development, and hosts several environmental convention secretariats such as the Ozone Secretariat and the Secretariat of the Convention on Persistent Organic Pollutants (POPs). UNEP also aims to improve the environmental management capacity of institutions, for example through regional policy dialogues and the development of national environmental law. An explicit goal is also to encourage 'new partnerships and mind-sets within civil society and the private sector'.

## Funding

Donor countries make contributions to the core Environment Fund. Additional resources come from UNEP trust funds, the UN Regular Budget and the Global Environment Facility (GEF) for which UNEP is an implementing agency.

## Governance

The UN General Assembly elects the 58 members of the UNEP Governing Council every four years.

## Geographical spread

UNEP has its headquarters in Nairobi, Kenya, with regional offices in Europe, Africa, North America, Asia and the Pacific, Latin America and the Caribbean, and West Asia. It also has offices in Moscow, Beijing and Brasilia. As one of only two UN programs headquartered in the developing world, it believes that being located in Africa gives it a clear advantage in understanding the environmental challenges facing developing regions.

UNEP's Division of Technology, Industry and Economics (DTIE) is located in Paris and Geneva. UNEP DTIE reaches out through the regional offices of UNEP, as well as its International Environmental Technology Centre (IETC) based in Osaka, Japan. DTIE is the division within UNEP most responsible for working with business and industry.



### Overview of the work with the private sector

UNEP has strong relationships with industry, organized around the activities of **UNEP's Division of Technology, Industry and Economics (DTIE)**, which aims to provide 'solutions to industrial and urban environmental problems'. The division has a network of sectoral industry associations from all regions that attend its annual consultative meeting with associations in Paris. Partner projects with these associations include the development of training materials in areas such as environmental management and life cycle thinking.

Key voluntary initiatives undertaken with companies aim to encourage greater corporate environmental and social responsibility. Examples are the Tour Operators Initiative, Mobility Forum, Advertising and Communication Forum, Global e-Sustainability Initiative, and the UNEP Finance Initiative (see below). Within DTIE there are specific branches which cover the areas of economics, finance and trade, ozone and energy, chemicals, sustainable production and consumption, and environmentally sound technologies. In-depth information on these programs is available on the DTIE website.

Through DTIE, UNEP has produced various reports relevant to business and industry. These include an assessment report prepared for the World Summit on Sustainable Development entitled '*Industry as a Partner for Sustainable Development*', and '*Tomorrow's Markets, Global Trends and their Implications for Business*', produced with WBCSD and the World Resources Institute. Industry-specific reports include '*Climate Change and the Financial Services Industry*', produced with financial institutions. DTIE also produces thematic reports and training materials of direct relevance to industry sectors, as well as the *Industry & Environment quarterly review*.

UNEP is one of the six core UN agencies involved in the Global Compact alongside the International Labour Organisation (ILO), the Office of the High Commissioner for Human Rights (OHCHR), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organisation (UNIDO) and the United Nations Office on Drugs and Crime (UNODG). UNEP has co-hosted Global Compact policy dialogues on '*Business and Sustainable Development*' (2002) and '*Sustainable Consumption*' (2004).

In collaboration with the Coalition for Environmentally Responsible Economics since 1997, UNEP has co-launched the Global Reporting Initiative (GRI) to develop and disseminate globally applicable Sustainability Reporting Guidelines for use by any reporting organisation. Today the GRI is a UNEP Collaborating Centre based in Amsterdam.

The **UNEP Finance Initiative** is the oldest and largest public-private partnership between the UN and the private sector, incorporating more than 230 financial services companies worldwide. UNEP FI's current work program includes:

- > Globally monitoring, via a set of 10 private sector indicators, the integration of environmental, social and corporate governance issues into capital markets.

- > Developing “*The Financial Sector Supplement*” for the Global Reporting Initiative.
- > The launch of a UNEP facilitated process to deliver a set of global principles and action plans that define responsible investment for institutional investors by the end of 2005.
- > Determining how responsible and emerging market equity investment strategies can combine to resolve the global pensions crisis while stimulating sustainable development in emerging markets.

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# United Nations Industrial Development Organisation (UNIDO)

[www.unido.org](http://www.unido.org)

## Origins and mission

The United Nations Industrial Development Organisation was set up in 1966 and became a specialized agency of the United Nations in 1985. As part of the United Nations system, UNIDO has responsibility for promoting industrialization throughout the developing world, in co-operation with its 171 Member States. UNIDO offers tailor-made solutions to developing countries and countries with economies in transition in order to foster their industrial development on a sustainable basis.

## Operating methods

UNIDO's core functions are:

- > to act as a **technical co-operation agency**, which designs and implements programs to support the industrial development efforts of its clients which are governmental institutions, private sector bodies and groups of private sector companies. UNIDO offers tailor-made support for program development based on the problems confronting a given industrial sector or overall issues confronting a country's industrial sector;
- > to act as a **global forum** which generates and disseminates knowledge relating to industrial matters-for example UNIDO, through its biennial publication "Industrial Development Report" publishes the Competitive Industrial Performance index, an index that ranks countries' industrial performance on the basis of four variables. The index provides policy-makers international benchmarks against which to assess country performance in relation to liberalized trade and investment regimes. UNIDO's Global Forum activity provides a common platform for stakeholders to establish dialogue and develop partnerships

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 422m (2004-2005 est.)
<b>Geographical focus</b>	Least developed countries, particularly in Africa
<b>Industry focus</b>	Agro-business, manufacture, extractive
<b>Issue focus</b>	Poverty reduction & development, investment climate

at national, regional or international levels in order to address common challenges.

## Funding

Funding for UNIDO activities can be drawn from the regular budget, the operational budget and voluntary contributions. The regular budget is derived from Member States' assessed contributions. The operational budget is drawn from the regular budget to finance the implementation of projects. The estimated volume of UNIDO operations for 2004-2005 is US\$ 422m. The break-up is as follows: regular budget US\$ 171m, operational budget US\$ 25.5m and anticipated voluntary contributions US\$ 225m.

## Governance

UNIDO has three policy-making organs (i.) the General Conference, (ii.) the Industrial Development Board, and (iii.) the Programme and Budget Committee. UNIDO's chief policy-making organ is the General Conference, which comprises representatives of all Member States, and takes place every two years. The Industrial Development Board of 53 Members reviews the implementation of the work program, the regular and operational budgets and, every four years, recommends a candidate for Director-General (DG) to the General Conference for appointment. The DG heads the UNIDO Secretariat. The Programme and Budget Committee, which consists of 27 Members elected by the General Conference for a two-year term, is a subsidiary organ of the Board, and assists it in preparing work programs and budgets.

## Geographical spread

While UNIDO retains a universal character and vocation, the organization's activities are geographically focused on least developing countries, particularly in Africa. Its headquarters

are in Vienna, and it is represented in 35 developing countries.



### Overview of the work with the private sector

UNIDO recognizes the increasing role of the private sector in achieving its objectives. It targets multinational corporations as potential partners, primarily those that contribute to sustainable industrial development.

The type of support and expertise that UNIDO can provide in the context of a public-private partnership can be divided as follows:

- > matchmaking and coalition building between potential business partners
- > improving the business environment in which development know-how is transferred
- > building support capacities to strengthen the technical, managerial, and organizational performance of local SMEs, where it is not covered by the business-to-business relationship and
- > evaluating the process and results of business co-operations, and suggesting corrective actions.

Recent UNIDO business partnerships include the 'Automotive Industry Component in India' in partnership with Fiat S.p.A, the 'Eco-Efficiency Analysis' – a UNIDO-BASF project; and the 'Electronic and Mobile Business for Industrial Development' – a joint UNIDO-Ericsson initiative.

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# United Nations Office of the Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

Category	Multilateral
Financial resources	US\$ 1.5m
Geographical focus	Global
Industry focus	All
Issue focus	Governance, human rights, environment

## Origins and mission

The UN Global Compact describes itself as the only true international corporate citizenship initiative. Launched in July 2000 by UN Secretary-General Kofi Annan, the initiative aims to make the Global Compact and its principles part of business strategy and operations everywhere and to facilitate co-operation among key stakeholders and promote partnerships in support of UN goals.

The Global Compact revolves around ten principles, which cover human rights, labor rights, the environment and anti-corruption, and are drawn from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

## Operating methods

The Global Compact does not enforce these principles, but encourages ‘public accountability, transparency and the enlightened self-interest of companies, labor and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based’.

In terms of the practical ways in which companies pursue the principles, the Global Compact offers engagement opportunities to all participants through the following:

- > **Networks:** The Global Compact has established many dozens of country and regional networks around the world. These networks are designed to support: the implementation of the ten principles; mutual learning and information exchange; the convening of local/regional dialogues on globalization issues; partnership projects;

and the recruiting of additional companies. Companies and other Global Compact stakeholders are encouraged to take an active role in relevant country networks.

- > **Regional/Global Issues:** The Global Compact convenes action-oriented regional or international meetings, or “policy dialogues”, that focused on specific issues related to globalization and corporate citizenship. Issues addressed include “The Role of the Private Sector in Zones of Conflict”; “Business and Sustainable Development”; “Transparency and Anti-Corruption”; “Business and Human Rights”; and “Finance and Sustainability”.
- > **Learning:** Companies are invited to develop and share examples of corporate practices, experiences and lessons learned on the Global Compact website. Local and regional learning events support the sharing of knowledge.
- > **Partnership Projects:** The Global Compact encourages participants to engage in partnership projects with UN agencies and civil society organizations in support of global development goals.

## Funding

Companies do not pay membership fees to sign up to the Global Compact. Its core funding comes from donor governments. The Global Compact Office does not accept corporate funding for its core activities and operations. Registration fees are, however, sometimes requested to help pay for specific conferences and other events.

## Governance

The Global Compact is a network. At its core are the Global Compact Office and six UN agencies.

These are the Office of the High Commissioner for Human Rights (OHCHR), the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organisation (UNIDO). The Global Compact also involves all relevant social actors: governments, companies, labor, civil society organizations and the UN.

### Geographical spread

Global Compact participants are found in more than 70 countries around the world. There are also local Global Compact networks in more than 50 countries, bringing together participating companies, governments, labor, academia, business associations and civil society. Its headquarters are located at the United Nations offices in New York.

develop practical solutions to problems associated with globalization, sustainable development and corporate social responsibility.



### Overview of the work with the private sector

By bringing businesses together with other social actors, the Global Compact aims to ‘advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalization’. Over 1,500 companies participate in the initiative, a figure growing daily, of which 30% are small- and medium-sized enterprises, and of which more than half are from non-OECD countries.

To participate in the Global Compact, a company first submits a letter to the Global Compact expressing support for the Global Compact and its principles. It is then expected to introduce relevant changes in its business operations and express its support for the initiative and its principles in public. Companies are also expected to publish in their annual report (or other public documents) a description of the ways in which it is supporting the Global Compact and its ten principles. Companies also have the opportunity of participating in the Compact’s programs and dialogues.

By participating in the Global Compact, companies can add momentum to the reach and knowledge of the United Nations and

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# The World Bank Group

[www.worldbank.org](http://www.worldbank.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 27.2bn (2003 est.)
<b>Geographical focus</b>	Developing countries, global
<b>Industry focus</b>	Manufacturing, infrastructure, health, education, finance
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance

## Origins and mission

Established in 1944 in the aftermath of the Second World War at Bretton Woods, New Hampshire, the initial objective of the International Bank for Reconstruction and Development (IBRD) was the reconstruction of Europe. However, over the years, the Bank's mission evolved from a facilitator of post-war reconstruction and development to its present day mandate of worldwide poverty alleviation. Since its creation, other institutions have been integrated into the Bank to form the World Bank Group, which has been the largest source of financial and technical assistance to developing countries in stimulating economic growth and social development.

The World Bank Group is a multilateral development agency consisting of five closely associated institutions: the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA) – the two institutions generally referred to as the 'World Bank' or the 'Bank'; in addition to the International Finance Cooperation (IFC) – the private sector arm of the Group – the International Center for Settlement of Investment Disputes (ICSID), and the Multilateral Investment Guarantee Agency (MIGA).

## Operating methods

The **IBRD** provides assistance to governments in the form of investment loans, which support specific development projects and sector programs. The IBRD also provides adjustment lending, including structural adjustment loans (SALs) to help reform economic and fiscal policies and address balance of payment problems, and sector adjustment loans (SECALs) that focus reform within a particular sector. Loans are made solely to governments, government agencies, or institutions that can

obtain a guarantee from their government. The IBRD also provides partial risk or partial credit guarantees (with a counter-guarantee from their government) to private lenders on development projects. While the IBRD is best known as a financier, another of its predominant roles is to provide analysis and advice in order to create lasting policy improvements.

The **IDA** was established in 1960 to provide assistance on concessional terms to least developed countries – those that cannot afford to borrow from the IBRD. The IDA provides long-term interest-free loans (known as 'credits') and grants to support the economic development, poverty reduction, and the improvement of living conditions of recipient countries. IDA credits are made solely to governments in least developed countries.

The **IFC** was founded in 1956 to help strengthen the private sector in developing countries. IFC lends directly to the private sector, while the IBRD and IDA lend to governments. IFC assists the private sector by providing long-term loans, equity investments, guarantees, risk management and 'quasi-equity instruments', such as subordinated loans, preferred stock, and income notes. In addition to funding, the IFC provides financial, legal and technical advice to private enterprises. Unlike the IBRD and IDA, the IFC does not require government guarantees of repayment.

The **ICSID** was created in 1966 to promote increased flows of foreign direct investment (FDI) by providing facilities for the conciliation and arbitration of disputes between governments and foreign investors. ICSID also provides advice, carries out research, and produces publications in the area of foreign investment law.



The MIGA was established in 1988 to help developing countries attract foreign direct investment. MIGA provides investors with investment guarantees against ‘non-commercial risk’, such as expropriation and war. It also provides investment marketing services and legal advisory services to developing member countries.

### Funding

The IBRD raises most of its funds in the world’s capital markets by issuing bonds that are purchased by a wide range of private and institutional investors. In the fiscal year 2002, the IBRD raised approximately US\$ 23bn in this manner. The IBRD benefits from an AAA credit rating, which enables the Bank to borrow under favorable terms, and to pass on the low interest rates to its borrowers. The IBRD also has US\$ 178bn in what is known as ‘callable capital’, which can be drawn from its shareholders as backing, should it ever be needed to meet IBRD’s obligations for borrowings (bonds) or guarantees. The Bank also derives funding from voluntary contributions from its wealthier member states.

In the fiscal year 2003, the aggregate capital resources of both the IBRD and the IDA amounted approximately US\$ 19.4bn. The annual capital resources of the IFC for the fiscal year 2003 amounted to approximately US\$ 7.8bn.

### Governance

The World Bank Group is owned by its 184 member-states.

The IBRD’s highest policy-making body is the Board of Governors, which consists of two Governors per member-state. All Governors of the IBRD serve ‘ex officio’ as Governors to the Boards of the IDA and the IFC.

Both MIGA and ICSID are administered independently from the Bank. MIGA’s Council of Governors consists of two Governors that are directly appointed by each member-states, while ICSID is administered by an Administrative Council made up of one representative for each

member country – and chaired by the President of the IBRD.

With the exception of the powers specifically reserved to the Governors, the Governors delegate all their powers to a Board of Executive Directors, which is responsible for the day-to-day management of the IBRD. The 24 Directors and Alternates also serve ‘ex officio’ as Executive Directors of both IDA and IFC.

The President of the IBRD is Chairman of the Board of Directors and President of IDA, IFC, and MIGA.

### Geographical spread

The World Bank Group focuses its activities in developing countries throughout the world. A particular emphasis is placed on sub-Saharan Africa, Asia & Pacific, Latin America, and Eastern Europe.

The Group’s headquarters are located in Washington D.C, United States of America; however, the Group also has more than 100 regional offices worldwide, employing approximately 8,800 staff.



### Overview of the work with the private sector

The main institution from the World Bank Group that is principally concerned with private sector development is the International Finance Cooperation (IFC).

The IFC promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people’s lives, primarily by: (i.) financing private sector projects in developing countries, (ii.) assisting private companies in developing countries mobilize financing in international capital markets, and (iii.) providing advice and technical assistance to businesses and governments in these countries.

IFC offers a wide range of financial products and services to companies in its developing member-countries; which include, but are not restricted to:

- > Long-term loans in major and local currencies, at fixed or variable rates
- > Equity investments
- > Quasi-equity investments, including subordinated loans, preferred stock, income notes, and convertible debt
- > Risk management, such as intermediation of currency and interest rate swaps, or provision of hedging facilities
- > Intermediary finance

IFC finances projects in all major industries and sectors, including: manufacturing, infrastructure, health & education, as well as financial markets. Projects in the financial sector represent a significant share of new approvals, and range from investments in nascent leasing, insurance and mortgage markets to student loans, and credit lines to local banks which, in turn, provide micro-finance or business loans to SMEs.

To be eligible for IFC financing, projects must be profitable for investors, benefit the economy of the host country, and comply with standard environmental and social guidelines.

IFC charges market rates for its products and does not accept government guarantees.

In addition, to ensure the participation of investors and lenders from the private sector, IFC limits the total amount of the financing it will provide for any single project to a maximum of 25% of the total estimated project costs, or, on an exceptional basis, up to 35% for small projects. IFC investments typically range from US\$ 1m to US\$100m.

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# World Trade Organization (WTO)

[www.wto.org](http://www.wto.org)

<b>Category</b>	Multilateral
<b>Financial resources</b>	US\$ 125m (2004 est.)
<b>Geographical focus</b>	All
<b>Industry focus</b>	All
<b>Issue focus</b>	Poverty reduction & development, investment climate

## Origins and mission

The World Trade Organization is at the heart of the multilateral trading system which governs global trade. It is responsible for setting and enforcing the rules of international trade between nations. It actively promotes free trade and encourages countries to become more integrated into the world economy by leading and coordinating negotiations to liberalize trade agreements (the current round is known as the Doha Development Round). The objective is to remove barriers to trade (such as import tariffs, quotas, custom duties), in order to facilitate the flow of goods and services between countries and to ensure non-discriminatory treatment between countries.

Created in 1995 as a result of the Uruguay Round (1986-1994) under the GATT (General Agreement of Tariffs and Trade), the WTO replaces the GATT which had been established after the Second World War to encourage and regulate the flows of trade between countries. Whereas the GATT had mainly dealt with trade in goods, the WTO also covers trade in services and intellectual property. The WTO is often taken as the prime target of anti-globalization movements, which see it as the leading advocate of "globalization at all costs".

## Operating methods

Since its 4th Ministerial Conference in Doha in November 2001, the WTO has been coordinating a new round of trade liberalization, with a focus on promoting development. Under the leadership of its Director-General, Supachai Panitchpakdi, negotiators in the Doha Development Round are trying to build consensus for new trade agreements, particularly in the areas of agriculture, textile and cotton, which could produce substantial benefits, especially for poor countries. The negotiations

have progressed at an uneven pace. The failure to meet deadlines and the collapse of the talks at the WTO Ministerial Meeting in Cancun in September 2003 threatened to jeopardize the whole round. July 2004 saw a breakthrough in bilateral negotiations orchestrated by the WTO: OECD countries agreed to reduce agricultural subsidies to their farmers, a thorny issue which prevented progress on other discussions. Details and timeframe remain to be negotiated, and much remains to be done to ensure the successful completion of the Doha Round by January 2005 as planned.

The WTO acts as the guardian of existing multilateral trade agreements. When a member country violates trade rules, for instance, by proposing trade policies that contradict the international agreements, the WTO can be called upon to arbitrate the dispute through its Dispute Settlement Body.

It also provides technical assistance and training for developing countries to help them develop their trade policies.

## Funding

The WTO's annual budget amounts to approximately US\$ 125m. Individual contributions are calculated on the basis of shares of the total trade conducted by WTO members.

## Governance

Since the creation of the multilateral trading system in 1948, membership of the WTO has expanded over six fold to 147 countries; WTO members now span 92% of the world's population and account for 95% of world trade. China joined the organization in 2001, bringing its colossal economy into the world markets. Some other significant economies, such as

Russia, remain outside the WTO system and need to move towards a market economy based on rules before their candidacy can be seriously considered.

Decisions are taken by consensus of all WTO members at ministerial conferences which take place twice a year. This requirement makes the process cumbersome but ensure endorsement by all countries. The agreements reached by the WTO are then ratified by the parliaments of its member countries. Between ministerial conferences, the General Council is empowered to make decisions.

### Geographical spread

The WTO Secretariat employs around 600 staff and is headquartered in Geneva. The secretariat supports the work of the various councils, committees and ministerial conferences, logistically and through research and awareness-raising activities.



### Overview of the work with the private sector

The WTO works primarily with the governments of its member countries. Companies, however, are the prime beneficiaries of the decisions taken by the WTO, as these affect trade rules (e.g. export and import regulations, protection of intellectual properties, etc). The business community as a whole has an interest in facilitating and promoting international trade, as it will benefit from greater access to new markets and increasing number of competitive suppliers. Companies and business leaders can exert leverage in the WTO negotiations through their national government by expressing their support for free and fair trade.

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# Canadian International Development Agency (CIDA)

[www.acdi-cida.gc.ca](http://www.acdi-cida.gc.ca)

<b>Category</b>	Bilateral
<b>Financial resources</b>	US\$ 2.1bn (2003 est.)
<b>Geographical focus</b>	Africa, Asia, Americas, Central & Eastern Europe
<b>Industry focus</b>	All
<b>Issue focus</b>	Poverty reduction & development, Investment climate, access to finance

## Origins and mission

Established in 1968, the Canadian International Development Agency (CIDA) is a federal agency whose mandate is to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world. CIDA contributes to the achievement of the objectives set at the United Nations Millennium Summit in September 2000, via the Millennium Development Goals, which aim to eradicate poverty and hunger, improve health and education, promote gender equality, ensure environmental sustainability, and develop a global partnership for development.

## Operating methods

CIDA supports projects in more than 100 least developed countries, which represent four fifths of the world's population. CIDA works in partnership with developing countries, Canadian organizations, institutions and businesses, as well as international organizations and agencies. The distribution of Canadian international assistance can be broken up as follows:

- > 39% to bilateral programs, which provide assistance to developing countries in Africa, Asia, and the Americas in accordance with bilateral agreements signed by Canada.
- > 28% to multilateral programs, which includes support for multilateral institutions and programs, such as United Nations agencies and the World Bank Group (approx. 25%); and international humanitarian assistance (3%) to assist survivors in case of natural disasters.
- > 12% to partnership programs, which financially support projects undertaken and implemented by Canadian institutions,

associations and non-governmental organizations, as well as private sector initiatives that can benefit developing countries.

- > 3% to the Industrial Cooperation Program, which encourages Canada's private sector to participate in world development. It does so by providing financial support to facilitate the formation of joint ventures between the private sector in Canada and in developing countries. These joint ventures must promote social and economic progress in these countries.
- > 9% to non-governmental organizations and institutions' programs.
- > 8% to the International Development Research Center and the International Center for Human Rights and Democratic Development.

## Funding

CIDA administers approximately 80% of the Canadian aid budget (US\$ 2.87bn), while the remaining 20% is administered by the Department of Finance, the Department of Foreign Affairs, and the International Development Research Center. This approximately amounts to US\$ 2.1bn (2003 est.)

## Governance

CIDA works under the guidance of the Minister for International Cooperation, currently Mrs. A. Carroll. As Deputy Minister, CIDA's President provides expert support and advice, as well as recommendations on policy decisions to the Minister. He is responsible for the strategic leadership of the Agency, and manages its overall business. The Senior Vice-President, the Corporate Secretary and the Agency's Executive Committees assist the President in this work.

## Geographical spread

CIDA's operations are largely centered on least developed countries in Africa, Asia & Pacific, the Americas, as well as Central & Eastern Europe. Based on a list established by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), CIDA has created a list of countries eligible for Canadian assistance, which can be found on their official website. CIDA headquarters are located in Gatineau, Quebec, Canada. In addition, the Agency has numerous offices in all regions where it operates.

- > **Private participation in infrastructure:** CIDA supports Canadian firms that want to put together a technical and financial package for private infrastructure projects. At the project implementation stage, CIDA can contribute to reducing the costs of complementary training, as well as environmental, social, gender equality management plans.



## Overview of the work with the private sector

CIDA's Industrial Cooperation Program (INC) provides financial support and advice to Canadian businesses planning sustainable business activities in developing countries. The INC provides financial support under the three different mechanisms outlined below. For each of these mechanisms, CIDA provides assistance at two stages of the project: at the study stage, and at the project implementation stage:

- > **Investment:** CIDA supports Canadian firms producing goods or services that want to invest in a developing country and establish a long-term business partnership there. Assistance at the study stage includes various feasibility studies (technical feasibility, market analysis, regulatory framework analysis, etc.) Assistance at the project implementation stage includes joint ventures, licensing agreements, etc. to support a Canadian firm via cost sharing.
- > **Professional service:** CIDA supports Canadian organizations or companies considered for the provision of services by a host country client. CIDA can share feasibility costs and/or contribute to the costs of complementary activities such as training, environmental, social and gender equality management plans to increase the project's benefits to the host country.

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# Agence Française de Développement (AFD)

[www.afd.fr](http://www.afd.fr)  
[www.proparco.fr](http://www.proparco.fr)

## Origins and mission

Dating back to the Caisse Centrale de la France Libre, created by General De Gaulle in London in 1941, the Agence Française de Développement (AFD) is a public and financial institution that forms the core agency of the French system of Public Development Assistance (PDA). Its mission is to contribute to economic and social development through financing instruments and through an ongoing dialogue with its partners. Its aims is to take part in resolving global problems which impact on North-South relations, particularly by improving the living conditions of people in poorer regions or countries and thereby to contribute to sustainable and equitable development.

The Group's major areas of intervention are infrastructures, urban development, financial sectors, health & education, environment and rural development and supporting the private sector.

## Operating methods

In each of the geographical areas in which it operates, the agency contributes to financing development projects in favor of states and other public or private institutions through long-term loans or other financial instruments, including subsidies. In addition, the agency and its subsidiary, Proparco, support the development of the private sector through credit, guarantees, capital investments, etc.

## Funding

At the end of fiscal year 2003, the AFD's provisions, capital and reserves amount to US\$ 3.94bn, in accordance with banking regulations. This figure includes capital invested by the French government (US\$ 482m), reserves and profits (US\$ 900m), reserve for general banking risks (US\$ 606m), and others. It

<b>Category</b>	Bilateral
<b>Financial resources</b>	US\$ 3.94bn (2003 est.)
<b>Geographical focus</b>	Africa and Indian Ocean, Asia & Pacific, Caribbean, Eastern Europe, and French Overseas Territories and Regions
<b>Industry focus</b>	Infrastructure, urban development, finance, health, education
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance, sustainable livelihoods

raises a significant part of its resources on the financial markets, more than US\$ 8.5m on its balance sheet at the end of 2003, mainly in the form of bond issues, taking advantage of its triple A rating.

## Governance

AFD is primarily a wholly state-owned public institution. It is also a specialized financial institution subject to banking regulations in particular risk management and internal control. Its supervisory board brings together the French ministries of Economy, Finance and Industry, Foreign Affairs, French Overseas Territories, members of Parliament, and appointed experts.

## Geographical spread

Under the guidance of the above ministries, it is active in over 80 countries in Africa, the Pacific region, Asia, the Caribbean, the Indian Ocean, the Mediterranean and Eastern Europe, as well as in French overseas territories. It has a network of 45 agencies and offices throughout the world, and carries out its missions on behalf of the state, or on its own behalf. In 2003, the French government authorized the expansion of its field of operations to include six new countries: Egypt, Jordan, Syria, Turkey, Thailand and China.



## Overview of the work with the private sector

The 'Société de Promotion et de Participation pour la Coopération Economique' (Proparco) is a subsidiary of AFD, dedicated to private sector financing.

Its current capital and reserves, excluding profit and FGFR, amount to US\$ 185m. The AFD is the main shareholder with 68.3% of the capital base alongside forty five other private shareholders including banks and financial institutions,

international financial institutions, as well as industrial and service companies.

Proparco mainly invests in public-private initiatives for infrastructure, in the modernization of the financial sector, in supporting the production sector, notably SME development, in closing the technology gap, and in healthcare and education.

- > **Equity:** By means of its equity and quasi-equity operations, Proparco seeks to contribute to the emergence and stimulation of capital markets. It is involved in long term financing operations and in investment funds, including fund management. At the end of 2003, the gross value of the share portfolio was US\$ 80m (including third party operations), made up of holdings in nine credit institutions, 28 investment funds, nine financial companies, 26 industrial and commercial companies and three infrastructure and mining companies. Provisions for liabilities and charges totaled US\$ 8.7m.
- > **Loans:** Proparco offers its clients different types of long-term loans. Loans can be denominated either in euros or US dollars. They may be for up to 15 years, with a capital repayment delay of up to five years. Loans offered directly to investors may be subject to bank guarantees or mortgages, or limited rights of recourse.

A total of 23 loans were approved in 2003, for an aggregate amount of US\$ 235m (against US\$ 259m in 2002). Four operations involved projects totaling US\$ 2.9bn in partnership with other financial institutions.

Of this total, 41% went to banks and financial institutions. This underscores Proparco's support to financial institutions that provide credit to productive sectors. The remaining 59% went to co-lending of mining and infrastructure projects (33%), and direct lending to industrial and service enterprises (26%).

- > **Guarantees:** The balance of guarantees issued by the Proparco is made up of 28 operations totaling US\$ 92m, of which 52.4% is for credit institutions and 47.6% for clients. US\$ 43.8m was raised in local currencies guaranteed by Proparco and went directly to the financing of productive investments, principally in the infrastructure sector (US\$ 29m). 37.5% of the guarantees were issued in West Africa, 30.9% in Central, East and Southern Africa and Indian Ocean, 3% in the Mediterranean area, and 28.6% in other countries where Proparco operates.

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# Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)

[www.gtz.de](http://www.gtz.de)

## Origins and mission

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international co-operation enterprise for sustainable development, with worldwide operations. Its mission is to contribute to improving the living standards and perspectives of people in developing and transition countries on a sustainable basis. GTZ is a federal enterprise, established in 1975 under private law. Its main client is the German Federal Ministry for Economic Co-operation and Development; however, GTZ also operates on behalf of other German ministries, partner-country governments and international clients such as the UN, the European Commission, or the World Bank, as well as on behalf of private enterprises.

## Operating methods

GTZ's services extends over a wide range of activity areas, from economic development and employment promotion, through governance and democracy, health and education to environmental protection, resource conservation, agriculture, fisheries, etc. GTZ mostly undertakes technical co-operation tasks, encompassing not only the dissemination of technical knowledge, but more importantly the transfer of organizational and business-related know-how.

GTZ's services include: advisory assistance to organizations, governments, or companies performing their tasks; project and financial management services; non-repayable financial contributions from the Technical Cooperation Fund such as grants, processes and disbursements; technical planning and procurement of materials and equipment for projects; and lastly, organization and undertaking of advanced training. In cases of acute need that jeopardize human survival, GTZ also responds with emergency aid and refugee programs.

Category	Bilateral
Financial resources	US\$ 885m (2003 est.)
Geographical focus	Global
Industry focus	All
Issue focus	Poverty reduction & development, investment climate, access to finance

In all its activities GTZ seeks to enhance the capabilities of the people and organizations concerned on a sustainable basis.

## Funding

GTZ's annual turnover in 2003 – as for previous years – was mainly generated through projects realized on behalf of the German Federal Ministry of Economic Cooperation and Development. In addition, GTZ also realizes projects for other German federal ministries, foreign governments, international organizations and private companies.

As GTZ works on a public-benefit basis, any surpluses generated are channeled back into its own international co-operation projects for sustainable development.

## Governance

GTZ's highest policy-making body is the Office of the Managing Directors, currently headed by Dr. Eisenblätter and Mr. Schmitt, who are responsible for conducting the overall business of GTZ. However, the Office of the Managing Directors works under the guidance of GTZ's Supervisory Board, which is represented by the German Federal Ministry for Economic Cooperation and Development (BMZ), as well as the German Ministries of Foreign Affairs, Finance, and Economics. Mr. Stather, State Secretary at the BMZ, currently chairs the Supervisory Board.

## Geographical spread

GTZ works in over 130 countries, mostly in least developed countries and transition countries in the regions of Africa, Asia & Pacific, Latin America, and more recently East & Central Europe, as well as central Asia.

GTZ headquarters are located in Eschborn, near Frankfurt am Main, Germany, and employ

approximately 1,000 staff. In addition, GTZ maintains its own offices in more than 60 countries, with a total staff of approximately 8'500.



## Overview of the work with the private sector

GTZ acknowledges the evolution that 'development co-operation' is undergoing in a globalized world, and recognizes both the new challenges as well as opportunities that result from it. In this context, GTZ promotes the mutual benefits of public-private partnership (PPP) activities, as in developing countries the possibilities open to national governments for development co-operation are limited, and as private companies are playing an increasingly important role in the development of these countries. While private sector development is indeed crucial to a country's development equation – as they create jobs, sources of income and saving, and build the capacity of local people and structures – private companies often find themselves confronted with difficulties when doing business in developing countries. This is where development organizations can fill the gap with their expertise, providing private companies with a variety of services and support.

In 1999, GTZ established a Center for Co-operation with the Private Sector. A separate fund – solely allocated to co-finance PPP activities – was provided by the Federal Ministry of Economic Cooperation and Development. During the period from January 1999 until September 2004, GTZ participated in PPP projects with a total value of approximately US\$ 50m. Private and other public partners of these PPP projects contributed approximately US\$ 101m. However, the following eligibility criteria apply to be entitled for GTZ's participation in PPP projects:

- > The project must be in line with the basic principles of the German government's development policy
- > The contributions of the partners must complement each other in such a way that both parties achieve their goals
- > The private partner must make a key

contribution to the project, as a rule 50% of the project costs. The private and public contributions are agreed in each individual case

- > Joint PPP projects must clearly go beyond the actual core business activities of the firm

GTZ's relevant expertise in areas that may not count as the core business of private companies, but which are nevertheless often decisive for their economic success, opens opportunities for co-operation in the fields of:

### Human resources development in industry

- > Assisting measures to improve the quality of products and services from suppliers and sub-contractors in developing countries
- > Training local trainers, upgrading local training systems
- > Supporting trade associations, chambers of commerce, and other umbrella organizations

### Capacity-building in agriculture

- > Training local farmers
- > Support and training for producer association and cooperatives
- > Transfer of marketing know-how
- > Training in environmentally sound cultivation methods, field management, environmentally viable pest control, harvest methods, crop storage, conversion of conventional cultivation methods to organic farming

### Vocational training

- > Introducing new occupational profiles into the training systems
- > Devising needs-oriented solutions for training and upgrading
- > Strengthening local vocational training systems

### Environmental and social standards

- > Introducing internationally recognized environmental and social standards in local firms
- > Developing and improving in-company implementation of standards

### Technology transfer

- > Supporting the introduction of new, environmentally friendly technologies in local firms
- > Assisting research and educational institutions
- > Supporting pilot facilities

### Financial services

- > Providing training and upgrading in the banking sector
- > Developing and marketing software for financial institutions

### Social initiatives / Social services

- > Introducing health insurance funds in companies
- > Supporting the introduction of medical-care systems for employees and their families
- > Providing advisory services and assistance for the employment of in-house peer-educators in order to educate employees about the causes of communicable diseases
- > Supporting in-house or local AIDS prevention measures

### Infrastructure

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# Norwegian Agency for Development Cooperation (Norad)

[www.norad.no](http://www.norad.no)

## Origins and mission

Established in 1968, the Norwegian Agency for Development Cooperation (Norad) is a directorate under the Norwegian Ministry of Foreign Affairs. The Agency's predominant task is to contribute to international efforts to fight poverty. Thus, the main purpose of Norwegian development co-operation is to contribute towards lasting improvements in economic, social and political framework conditions for the people of developing countries, with particular emphasis on ensuring that development aid mostly benefits the poorest. In order to achieve this, Norad has identified the following priority areas as fundamental to a country's developmental process: health and education, economic development and trade, infrastructure and energy, human rights and assistance to indigenous peoples, governance, HIV/AIDS, environment, and gender equality.

## Operating methods

Formerly, Norad administrated long-term government-to-government development co-operation with over 20 countries in Africa, Asia and Central America. However, from 1 April 2004, the Ministry of Foreign Affairs will have this responsibility and Norad has been reorganized to fulfill a new role with new expectations. According to this new role, Norad's main responsibility is to provide technical advice and develop quality control and monitoring systems for the benefit of programs and sector support funded by the Ministry of Foreign Affairs. Norad is also directly responsible for grants to civil society organizations and the business sector. These are in turn responsible to Norad for the administration of Norwegian development funds. In co-operation with its partners, Norad promotes development strategies that benefit the poorest members of society.

<b>Category</b>	Bilateral
<b>Financial resources</b>	US\$ 723m (2003 est.)
<b>Geographical focus</b>	Sub-Saharan Africa, Asia, and Latin America
<b>Industry focus</b>	Infrastructure, agriculture, health, education
<b>Issue focus</b>	Poverty reduction & development, investment climate, access to finance

## Funding

The aid budget is part of the allocation for the Ministry of Foreign Affairs and covers all Norwegian development co-operation, including the part administered by Norad. In 2003, Norad managed US\$ 723m, of which approximately 40% was allocated to Norad's 7 main partner countries; namely, Malawi, Mozambique, Tanzania, Uganda, Zambia, Bangladesh and Nepal. The remaining 60% was allocated to approximately 60 other countries in Africa, Asia, and Latin America.

## Governance

Norad is a directorate under the Norwegian Ministry of Foreign Affairs and its work is directed by the ministry's guidelines. The Director General, Tove Strand, is responsible for conducting the agency's activities. Norad is organized according to the following departmental structure, which includes departments for environment and private sector development, rights and civil society, social development, and governance and macroeconomics.

## Geographical spread

According to Norad's objectives to contribute to the international efforts to fight poverty – while ensuring that development aid mostly benefits the poorest members of society – Norad principally works in least developed countries of sub-Saharan Africa, Asia, and Latin America. Norad's headquarters are located in Oslo, Norway.



## Overview of the work with the private sector

The different types of assistance offered by Norad for support to industrial and commercial projects include direct funding (untied mixed credits), material support (equipment), human resource and institutional development,

feasibility studies/project identification and training, as well as social and environmental support. Furthermore, Norad offers support for trade-related activities such as product development, marketing and risk guarantees for imports to Norway from developing countries. Support is also given to export promotion projects for commodities from developing countries. Norad also offers assistance to institutions serving the private sector.

The above support schemes for the private sector require an application from companies or institutions, or a request from the authorities of the partner country. The applying party must be able to document competence on the product, market or project, and must normally be engaged in a comparable activity. The applying party must also be able to document the necessary financial and technical capacity to administer the project.

Norad has singled out the following priority areas based on the ministry's strategy for private sector development in least developed countries:

- > **Infrastructure:** A country's infrastructure plays a significant role in its ability to develop economically. For instance, reliable sources of energy and adequate means of transportation are prerequisites for any economic activity, and further reduce the fixed costs of doing business. As an example of Norad's activities in this field, the agency undertook such a project in Mozambique in 2003 in the energy and petroleum sectors. As in other similar projects, co-operation has taken place through long-term institutional contracts, as well as through the provision of technical assistance for specific priority projects.
- > **Agriculture:** According to Norad's objective to ensure that development aid mostly benefits the poorest, the agency lays a particular emphasis on industries which provide the basis for further economic development, and in which the poor are involved in large numbers. Agriculture is therefore central to Norad's private sector

development strategy, and the agency seeks to improve agricultural policies, governance, and cross-sectoral linkages.

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# Swedish International Development Cooperation Agency (Sida)

[www.sida.se](http://www.sida.se)

Category	Bilateral
Financial resources	US\$ 2.6bn (2003 est.)
Geographical focus	Global
Industry focus	Agriculture, energy, infrastructure, finance, health, education
Issue focus	Poverty reduction & development, investment climate, access to finance

## Origins and mission

Formally established in 1965, the Swedish International Development Cooperation Agency (Sida) is a government agency operating under the Ministry of Foreign Affairs which is responsible for bilateral development co-operation, as well as most of Sweden's co-operation with Central and Eastern Europe. In a 2003 bill to Parliament, the Swedish Government proposed a policy for global development with the common objective of helping create the conditions that contribute to poverty reduction. Sida's mission can thus be summarized as follows: 'to contribute to equitable and sustainable global development.'

## Operating methods

Sida engages with a broad range of partners with the aim of working towards poverty eradication in the three following ways:

- 1 **As a financial intermediary** – Sida's core task and capabilities – to turn available resources for development co-operation into effective support to poverty alleviation.
- 2 **As an analyst** – to put forward its professional knowledge of the complexity, inter-dependence, and dynamism of developmental challenges to its partner countries.
- 3 **As a dialogue partner** – to create a common platform of values and actions.

## Funding

Sida's annual budget is allocated by the Swedish Government, and amounted to US\$ 2.6bn in 2003, which corresponds to 0.8% of Sweden's estimated gross national income that year.

## Governance

The highest policy-making body is Sida's Board, which is chaired by the Director General. The

Swedish government directly appoints the Director as well as all Board members, who represent political parties, trade and industry, trade unions and organizations working in development co-operation.

## Geographical spread

Sida is currently working with approximately one hundred countries in Africa, the Middle East, Asia, Latin America, and Eastern Europe. Its headquarters are located in Stockholm, and the agency has over 750 employees of whom 150 work in one of Sida's 40 regional offices in partner countries.



## Overview of the work with the private sector

Although Sida does not work directly with the private sector at present, it is active in numerous fields that contribute to private sector development in least developed countries. The main purpose of Sida's support to private sector development is to contribute to sustainable poverty-reducing growth based on the direct inclusion of the poor in economic activities, therefore contributing to their employment, income generation and productivity. As a result, Sida gives particular attention to markets in which the poor are directly involved, such as agriculture and the informal economy.

Sida also recognizes the importance of a stable, robust, and shock-resilient financial system to a country's development, in order to expand savings and deepen local capital markets. A priority area in this regard is micro-finance services, including savings, credit, and insurance services for the poor and micro-enterprises. Sida supports a number of different micro-finance projects, for example in Bolivia, Zimbabwe, Tanzania, Nicaragua, Mozambique and Bangladesh.

In addition, Sida uses various forms of credits to finance strategic programs that can provide positive effects for the development of partner countries, particularly in the infrastructure sector. These include the following three instruments: concessionary credits, soft loans, and credit lines.

- 1 **Concessionary credits** are mostly interest-free loans that are mainly provided for projects that are expected to have considerable development effects in the borrowing country, investments that directly promote economic growth in the country. Most concessionary credits are provided for investments in energy, communications, health services and education. A majority of concessionary credits are tied, meaning that the recipient country has an obligation to purchase goods related to the project from a Swedish supplier.
- 2 **Soft loans** are a type of credit that is common to support projects in the poorest countries. They differ from concessionary loans as they are untied and an even larger part of the credit is being given as a grant. The investments best suited for soft loan financing are those that have a prospect of generating revenue, but not sufficiently to cover the entire cost of the project. For example, soft loan financing is best suited for investments in railways, extensions of the electricity network in rural areas, or solid waste management.
- 3 **Credit lines** are used when Sida seeks to support minor projects or support several projects in the same field. By giving a large credit to an institution, for example a development bank, which in turn provides credits for a number of borrowers, the agency is able to reach more users via specialized intermediaries.

Furthermore, Sida launched the Start-East and Start-South programs in 1994 and 1996 respectively, which aim to support Swedish small- and medium-sized enterprises (SMEs) in the starting-up phase of a joint project with a local company. Thus, these programs seek to enable local companies in Sida's partner

countries to access modern technology and new know-how, while Swedish SMEs are encouraged to undertake new commercial activities in emerging markets. In the context of these two programs, Sida provides support to Swedish SMEs and local companies in the two following ways: (i.) via investments in the transfer of technology and know-how, and (ii.) via investments in equipment in the companies of the host countries.

Recent examples include an Internet project in Vietnam, production of environmentally friendly plastic bottles in Tanzania, sawmills in Uganda and environmental projects in Chile.

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# UK Department for International Development (DFID)

[www.dfid.gov.uk](http://www.dfid.gov.uk)

Category	Bilateral
Financial resources	US\$ 6.28bn
Geographical focus	Global
Industry focus	All, retail, extractive, water
Issue focus	Poverty reduction & development, investment climate, access to finance, governance

## Origins and mission

Following several incarnations dating back to the early 20th century, the Department for International Development was established in 1997, headed by a Secretary of State with cabinet rank. The scope of DFID's work is set out by the International Development Act (June, 2002), which governs when the UK can give development or humanitarian assistance, what forms it can be given in, and on what terms. The Act made illegal the practice of 'tying' aid to procurement contracts for UK companies, and the UK is one of the only countries in the world where this practice is unlawful. DFID is committed to helping meet the Millennium Development Goals.

## Operating methods

In essence, DFID's work consists in funding projects and initiatives to reduce poverty in developing countries, providing humanitarian assistance where needed, and contributing to develop policies that promote trade and sustainable economic growth at the international, regional and national level.

The UK has proposed an International Finance Facility to bridge the US\$ 50bn gap between global development funds currently allocated and those estimated to be necessary to meet the MDGs by 2015.

## Funding

Like any other government department, DFID is funded by British taxpayers. Its budget is set to increase steadily over the next few years; since 1997, the UK development budget will have risen by 93% in real terms. The traditional focus of the UK's aid on commonwealth countries has been replaced by a focus on countries where the impact on the Millennium Development Goals is assessed to be the greatest.

## Governance

DFID is responsible to Parliament for its activities and expenditure. Overall policy direction is provided by the government of the day through DFID's Secretary of State.

## Geographical spread

DFID's assistance is concentrated in the poorest countries of sub-Saharan Africa and Asia. In 2004, almost US\$ 1.8bn (i.e. approximately 48% of DFID's bilateral assistance) was spent on Sub-Saharan Africa. DFID also offers assistance to middle-income countries, including those in Latin America and Eastern Europe. DFID has 11 offices with substantial delegated authority worldwide. DFID employs over 1,000 staff in its UK headquarters and approximately 1,000 staff overseas, primarily in British embassies.



## Overview of the work with the private sector

DFID believes that the private sector has a critical role in international development and therefore most of its work in this area is focused on helping to create an 'enabling environment' in which business can flourish. For example, DFID aims to strengthen the international financial system so that it works more effectively for the poor; it also assists governments with their work on investment climate and competition policy.

In terms of direct partnership with business, it has helped to establish a number of private sector-related initiatives in which it continues to play an important role, for example:

- > The **Ethical Trading Initiative (ETI)** is a network of business, trade unions and NGOs working to improve labor standards in developing countries. DFID helped fund ETI and remains closely involved in an advisory and funding



capacity. ETI member companies work with their suppliers to implement the ETI base code on labor standards.

- > The **Extractive Industries Transparency Initiative** was launched by Tony Blair at the World Summit on Sustainable Development in Johannesburg in 2002 in order to promote transparency of payments in the extractive industry.
- > Through its **Pro-poor Investment Reporting initiative**, DFID is funding research on how to measure business impact on poverty reduction. It is also funding work on sector-specific reporting guidelines.
- > The **Business Links Challenge Fund (BLCF)** awards grants to enterprises that stimulate economic activities with local companies in developing countries. For instance, the BLCF has funded the production and export of fertilizer and house bricks from mine waste in Botswana and the installation of street lighting in townships of Johannesburg.
- > The **Financial Deepening Challenge Fund (FDCF)** aims to build the capacity of the financial sector in developing countries by helping to develop new financial products, expanding financial services to the poor and mobilizing the international capital markets. Specifically the FDCF awards grants to private sector financial institutions that are committed to increasing access to financial services for the poor and businesses that employ the poor. For instance, the Equity Building Society now operates a mobile banking project delivering banking services in remote rural areas of Kenya.

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# United States Agency for International Development (USAID)

[www.usaid.gov](http://www.usaid.gov)

Category	Bilateral
Financial resources	US\$ 14bn (2003 est.)
Geographical focus	Global
Industry focus	Agriculture, infrastructure, export promotion
Issue focus	Poverty reduction & development, investment climate, access to finance

## Origins and mission

The U.S. Agency for International Development (USAID) is the principal US federal agency providing development and humanitarian assistance. The history of USAID goes back to the Marshall Plan for Europe's reconstruction following World War II, and the Truman Administration's Point Four Program. In 1961, President John F. Kennedy signed the Foreign Assistance Act into law and created USAID by executive order. An independent federal government agency, USAID receives overall foreign policy guidance from the Secretary of State.

## Operating methods

USAID makes use of various acquisition and assistance instruments to implement its activities. Contracts, grants, and co-operative agreements are the instruments most commonly used to obligate funds in support of the agency's objectives.

'Acquisition' refers to obtaining goods and/or services, through various types of contracts, for the use or benefit of the agency, while 'assistance' refers to transferring funds (or other valuables) from USAID to another party for the implementation of programs that are consistent with the agency's objectives.

For-profit, not-for-profit and non-governmental organizations (NGOs) typically engage with USAID via contracts, grants or co-operative alliances. Global Development Alliance partnerships provide an opportunity for public-private initiatives where both entities provide funds and/or expertise to address development issues. Partners providing cash or in-kind resources to alliances

have the choice of contributing through a new or existing grant or co-operative agreement, or through their own financial instruments.

## Funding

The agency submits its budget justification to the Congress for appropriation each fiscal year. The Congressional Budget Justification (CBJ) reflects the Administration's program and budget request for bilateral foreign economic assistance appropriations. The agency's total annual budget for 2004 is approximately US\$ 14bn.

## Governance

An Administrator and Deputy Administrator, both appointed by the President and confirmed by the Senate, direct USAID's activities. The agency's administrator is Andrew S. Natsios and the deputy administrator is Frederick Schieck. Assistant administrators oversee the functional and regional bureaus.

## Geographical spread

The U.S. Agency for International Development is headquartered in Washington, D.C.. It has field offices in over 82 countries. In Washington, the agency is organized around three functional and four regional bureaus. The functional bureaus, which conduct programs that are worldwide in nature or that cut across geographic boundaries, are:

- > Democracy, Conflict, and Humanitarian Assistance (DCHA)
- > Economic Growth, Agriculture, and Trade (EGAT)
- > Global Health

The regional bureaus, which are responsible for the overall activities in the countries of operation are:

- > Asia and Near East (ANE)
- > Sub-Saharan Africa (AFR)
- > Latin America and the Caribbean (LAC)
- > Europe and Eurasia (E&E)



### Overview of the work with the private sector

USAID awards approximately US\$ 4bn each fiscal year in federal contracts and grants. Contracts are awarded primarily for technical assistance but also for equipment and/or commodities, transportation services and occasionally, construction.

Grants are awarded for a variety of programs – some recurring (e.g. Food for Peace grants) – and some for unique non-recurring programs. All contracts and grants issued ultimately support objectives of that part of the U.S. foreign assistance program managed by USAID.

Since its inception, USAID has worked in cooperation with both public and private sector partners on development and humanitarian issues. One method for the private sector to engage with USAID is through the **Global Development Alliance** approach, which promotes public-private alliances and extends USAID's reach and effectiveness in meeting development objectives by combining its strengths with the experience and capabilities of the private sector. For example, using this approach USAID may work with national and international corporations with a commitment to social responsibility. Or, USAID may engage a corporation's direct business interests in a region to guide foreign direct investment or corporate capabilities in product development, marketing, and distribution in support of development goals. USAID also works with local and international partners to lower barriers to market entry for goods serving a public interest.

Examples of USAID alliances include:

- > **Safe Drinking Water Alliance:** In conjunction with Johns Hopkins University and USAID, a new water purification technology developed by Procter & Gamble is distributed in Pakistan through P&G's commercial channels in tandem with a broad-based education campaign on the need for treatment and safe water storage, in Haiti using a social marketing distribution model implemented by Population Services International, and in Ethiopia as a humanitarian relief intervention implemented by CARE;
- > **Sustainable Forest Products Global Alliance:** Home Depot and other private sector partners are working with USAID, World Wildlife Foundation and other public and nongovernmental partners to secure the long term sustainable supply of products from responsibly managed forests;
- > **Guatemala Labor Standards Alliance:** Retail apparel firms such as Gap and Timberland are working with Social Accountability International and USAID to improve labor standards through market based incentives to comply with national legislation;
- > **Conservation Coffee Alliance:** USAID has contributed funds to scale-up a previously successful partnership between Starbucks and Conservation International to help smallholder coffee producers more robustly integrate their product into specialty coffee markets, maintain biodiversity protection through shade grown production processes, promote economic transparency along the supply chain through sourcing guidelines, provide market based incentive to meet sourcing guidelines through Starbucks' commitment to buy the product, and finally to provide consumers the opportunity to contribute to conservation and poverty alleviation by purchasing the product at Starbucks retail outlets.

USAID's Global Development Alliance (GDA) Secretariat promotes this approach and provides support and services to agency staff and external partners developing strategic alliances. Private sector partners may choose to contact USAID through the GDA Secretariat or through the Public Information Center.

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# Amnesty International

[www.amnesty.org](http://www.amnesty.org)

Category	NGO
Financial resources	US\$ 24m
Geographical focus	Global
Industry focus	Water, extractive, defense
Issue focus	Human rights

## Origins and mission

Amnesty International is a global human rights campaigning organization founded in the UK in 1961 in response to the jailing of two Portuguese students for seven years for raising a toast to freedom. Amnesty International has since campaigned for human rights in accordance with the Universal Declaration of Human Rights, in particular against torture, 'disappearances' and the death penalty. Recently the organization has enlarged its mandate to include human rights abuses carried out by non-governmental bodies and non-state actors, and to encompass new areas such as business and human rights.

## Operating methods

Campaigns are formulated through in-depth country research commissioned and monitored by the International Secretariat in London. Subsequent action is carried out by its worldwide membership base in order to put pressure on governments and other influential actors to stop human rights abuses. The organization achieved fame worldwide, for example, for its method of letter writing to individual prisoners of conscience. Amnesty International also carries out human rights education, engagement with NGOs and intergovernmental organizations and was awarded the Nobel Peace Prize in 1977 for its work. Country reports and thematic research is available online as well as a wide range of publications.

## Funding

It is the national sections and local volunteer groups that mainly fund the movement through membership and fundraising. It also seeks financial contributions from members and the general public. To guarantee its independence Amnesty International does not accept funds from governments.

## Governance

The strategic direction of the organization is set by the International Council which consists of representatives from all national sections. The Executive Committee of the International Council elects the Secretary General who heads up the International Secretariat, the 'professional heart of Amnesty International'.

## Geographical spread

Amnesty International has more than 1 million members, supporters and subscribers in over 140 countries. It is organized into nationally organized sections in 58 countries and composed of more than 780 local, youth, specialist and professional groups in over 100 countries and territories.



## Overview of the work with the private sector

Amnesty International's 'Economic globalization and human rights' campaign aims to highlight the responsibility that economic actors have to account for the human rights impact of their operations. Companies are urged to work within their sphere of influence to prevent human rights abuses and to support human rights in the countries in which they operate. Its **Business and Economic Relations (BERN)** network engages in dialogue with companies and encourages them to adopt codes of conduct in their business operations. The network can provide Human Rights Principles for Companies to assist them in doing so.

BERN coordinates the work of Business Groups at the national level. The Business Group of Amnesty International UK is particularly active, having produced benchmark publications such as '*Human Rights - is it any of your business?*' (2000) and '*Business and Human Rights: A*

*Geography of Corporate Risk'* (2002) in partnership with the International Business Leaders Forum. The latter is a collection of maps of corporate risk including the following sectors: extractive, food and beverages, pharmaceutical and chemical, infrastructure and utilities, heavy manufacturing and utilities, defense and IT hardware and telecommunications sectors. The UK Business group is comprised of 'people with expertise in the socially responsible investment industry, law, social auditing and reporting, academia and ethical investment' and works with companies to address human rights.

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# ApproTEC

[www.approtec.org](http://www.approtec.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 2.3m
<b>Geographical focus</b>	Africa
<b>Industry focus</b>	Agriculture, trade, technology
<b>Issue focus</b>	Poverty reduction & development, sustainable livelihoods

## Origins and mission

The name ApproTEC reflects the organization's ambition to deliver "Appropriate Technologies for Enterprise Creation". Founded in Kenya in 1991, ApproTEC is a non-profit organization that develops low-cost capital equipment and mass-markets it to very poor people in Africa who buy the equipment and use it to start highly profitable new businesses.

## Operating methods

Because electricity and fuel are generally expensive and labor is cheap, technologies developed by ApproTEC are manually operated. They are designed to be easy to operate with minimum training, durable and easy to maintain.

Typical technologies include micro-irrigation pumps, an oilseed press for making cooking oil from sunflower seeds and equipment for manufacturing low-cost construction materials. Its micro-irrigation pumps, the MoneyMaker Plus, have been identified as one of "10 inventions that will change the world" by Newsweek magazine.

The irrigation pumps are used by poor farmers to grow high value cash crops in the dry season. This enables them to increase their farm income from US\$ 110 per year to over US\$ 1100 per year, and this dramatic tenfold increase lifts them from poverty into the middle class.

ApproTEC's approach is unique in that it puts a great emphasis on providing market-based solutions and stimulating the private sector locally. Additionally, whereas other organizations work to provide social services to alleviate the effects of poverty – hunger, disease and squalor – ApproTEC works to remove the root cause: lack of wealth.

Although the organisation itself operates like an enterprise, it is not financially sustainable. This is because the costs of product and market development cannot be recovered by revenues if the products are to be kept affordable. ApproTEC is therefore subsidising the development of these new technologies, until a mature market grows to supply them to local entrepreneurs in a commercially viable way.

ApproTEC follows a five-step business process:

- 1 **Research markets:** Identify high potential local business opportunities to set up small enterprises with limited capital investment (which can be recovered in 3 to 6 months).
- 2 **Design new technologies:** ApproTEC develops the tools, equipment, manuals, and business plans required for establishing the identified small enterprises. It also designs and produces the tooling and quality control procedures required for manufacturing the new equipment.
- 3 **Develop a sustainable, profitable supply chain:** Contracts with existing private sector manufacturers, wholesalers and retailers to mass-produce, distribute and sell the products in rural areas.
- 4 **Promote the technologies:** ApproTEC uses local-language radio and newspaper advertisement and point-of-sale product demonstrations to promote the products.
- 5 **Monitor its impact:** ApproTEC measures the number of new businesses and jobs created and the amount of new profits and wages generated by the investment in these technologies. This impact is then compared with the cost of the program.

By June 2004, more than 45,000 pieces of ApproTEC-designed machines and tools had been purchased. Over 700 new pieces are sold

every month. Local entrepreneurs have used these tools to start more than 35,000 new small enterprises generating over US\$ 37m a year in new profits and wages.

### Funding

ApproTEC's annual turnover amounts to US\$ 2.3m. US\$ 200'000 is allocated to research and development. Over the years, ApproTEC has secured funding from a number of bilateral international donors including DFID, USAID, the Netherlands and the EU. To support its international expansion, ApproTEC began diversifying its funding base in 2001 to include more private sources. While government sources represented nearly all funding in 2001, it accounted for 75% in 2002, less than 50% in 2003, and in 2004 it is expected to be less than 20%.

### Governance

In late 2001, ApproTEC registered as a 501(c)3 non-profit organization in the U.S. and established a new fundraising and collaboration office in San Francisco, California, with the support of the Skoll Foundation.

### Geographical spread

ApproTEC has over 80 employees including market researchers, engineers, technicians, trainers and promoters. Its design workshops, sales and marketing and impact monitoring are based in Nairobi, Kenya. Presently ApproTEC's operations are largely concentrated in East Africa. It is in the process of expanding its program in East Africa and opening new programs in West and Southern Africa.

natural, environmentally friendly insecticide. SC Johnson is the largest buyer of the crop.

There are 200,000 farmers in Kenya growing pyrethrum, but they are earning less than \$100 per year from the crop. This partnership will market pumps to small-scale pyrethrum farmers so they can improve their productivity and diversify their crops, vastly improving their incomes, food security, nutrition and health. By the end of the one year program several hundred farmers will have purchased irrigation pumps, experiencing as much as tenfold increase in their farming incomes. Tens of thousands of other farmers will be aware of the existence of micro-irrigation pumps and a significant portion of these will be preparing to purchase a pump.

### IDEO – design partnership

IDEO, a premier design firm located in Palo Alto, California worked with ApproTEC to develop a manually-operated irrigation pump that can draw water from wells as deep as 18m (2.5 times the capacity of ApproTEC's previous models) and lift the water up to 7m above the pump to irrigate a small-scale farm of about a half-acre. The MoneyMaker Deep Lift Pump allows farmers with water far below their farm to drastically increase the yield from their land, generating precious income used for education, proper shelter, good nutrition and healthcare for their families.

### Overview of the work with the private sector

Below are two examples of the way ApproTEC has partnered with companies, based on their specific business needs and objectives.

#### SC Johnson – marketing partnership

ApproTEC has partnered with SC Johnson and the Pyrethrum Board of Kenya (PBK) to provide pyrethrum farmers with irrigation technologies. Kenya produces 2/3 of the world's supply of pyrethrum, a type of chrysanthemum and a

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# Development Alternatives Group (DA)

[www.devalt.org](http://www.devalt.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 4m (2003 est.)
<b>Geographical focus</b>	India, Global
<b>Industry focus</b>	Housing, energy, waste management
<b>Issue focus</b>	Poverty reduction & development, sustainable livelihoods, environment

## Origins and mission

Established in Delhi, India in 1983, the Development Alternatives Group (DA) is a not-for-profit research, development and consultancy organization working to promote sustainable development in India. It describes itself as a social enterprise, i.e. an NGO with companies as subsidiaries.

The group sees the creation of sustainable livelihoods in large number as the basis of a better and more sustainable future. It focuses its work on helping to create employment opportunities that provide people with a decent income and stimulate the development of local economies, whilst minimizing social and environmental externalities.

The DA Group works to strike a healthier balance between economic efficiency, social equity, and environmental protection. Its strategy is to foster innovation through the design, development, and dissemination of:

- > appropriate technologies via its Technology System Branch,
- > environmental management systems via its Environment System Branch,
- > effective people-oriented institutions and policies via its Institution Systems Branch.

## Operating methods

Furthermore, it is central to the group's operational strategy to develop and deliver alternative technologies in a commercially viable way. The DA Group is a conglomerate of three organizations, DA, TARA and People First.

DA is the not-for-profit design and research arm, focusing on environmental systems, technologies, and institutions:

- > Through its **Technology System Branch (TSB)**, it has pioneered many innovative pro-poor technologies adapted to the needs of micro-entrepreneurs and rural workers, such as roofing tiles, bricks, cooking stoves, biomass-fuel energy and production units for handmade recycled paper. The technologies aim to combine people-friendly features with environmentally responsible impact. The TARA Flying Shuttle Loom, which boosts a weaver's earnings several-fold without the use of power, is an example of DA's approach to innovation: low-cost technology that maximizes the time and labor available in developing countries, and has little to no impact on the environment.
- > Its **Environment System Branch (ESB)** provides in-house advice when developing new technologies and offers environmental management products and tools to customers in various industries, government and international community. For instance, the corporate social and environmental responsibility policies and procedures of India's largest private sector infrastructure finance company, Infrastructure Leasing and Finance Services and of the national electricity utility PowerGrid were written under the guidance of ESB.

DA has set up a number of subsidiary organizations to advance specific aspects of its work program. **TARA (Technology and Action for Rural Advancement)** is its marketing wing. It manufactures and markets appropriate technologies developed by DA to small enterprises. TARA pays a royalty to DA for the products it sells.

- > TARA itself has a number of affiliates, some of which are registered as companies and

some as not-for-profit organizations. For instance, **TARA Nirman Kendra** works to propagate cost-effective building technologies. **DESI Power** utilizes renewable energy resources (such as weeds and agro-waste) to deliver electricity to off-grid communities through mini power stations. **TARA BKF Ltd** franchises technology-based micro-enterprises.

- > One of TARA's affiliates, **TARAhaat**, operates on an innovative model and in a commercially viable way. With the initial financing from USAID and CIDA and partnership support from such companies as Hughes Escorts Communications, Samsung and Microsoft, TARAhaat is a virtual hub that brings information, products and services via the Internet to underserved rural areas so they can have a better access to mainstream markets ([www.TARAhaat.com](http://www.TARAhaat.com)). It offers tailored services through a network of franchised computerized centers, called TARAkendras (local telecenters), owned by individual entrepreneurs.

Since 1993, the **DA Information Network (DAINET)** has been the leading source of information on issue of sustainable development in India. It supports NGOs through extensive capacity-building programs. It has been the national host for the Small Grants Programme of GEF/UNDP. Currently, in partnership with PriceWaterhouse Coopers it manages one of India's largest grant-making programs – the Poorest Areas Civil Society Programme, on behalf of DFID. Typical recipients of these small grants include community-based organizations, field-oriented NGOs and agencies that focus on empowerment, community building and livelihood creation.

### Funding

Turnover of DA in 2002-2003 reached US\$ 2.3m and for the group as a whole it was US\$ 4m. Approximately 66% of the DA Group's income is from product sales, consulting, sponsored research and policy advice. A wide range of national and international donors contributes

33% of the budget, which is used mainly for pure R&D.

### Governance

The DA Group employs approximately 500 staff, comprising 150 professionals in engineering, sociology, marketing and management. Each organisation has a Board of Directors, among whom are Dr. Ashok Khosla, DA's founder and director, who has been a Schwab Social Entrepreneur since 2004.

### Geographical spread

The organization has carried out direct field projects in every state of the country, and has establishments in Delhi, Madhya Pradesh, Uttar Pradesh, Chattisgarh, Orissa, Karnataka and Punjab. The group has created more than 300,000 sustainable livelihoods across India.



### Overview of the work with the private sector

DA recognizes that its technologies must be self-financing to be sustainable. It sells its products and hardware technologies and provides technical assistance and training support to micro-enterprises and NGOs through its consultancy services.

DA works with a network of partners to test and disseminate its technologies. These partners are seen as agents of change that can have a far-reaching multiplier effect. They can be government agencies, NGOs, technology promoters or public or private enterprises. For instance, much of its earlier innovation was supported by the Tata Oil Mills Corporation.

DA also offers a wide range of services to the private sector and other not-for-profit partners. They include (1) environmental management systems (e.g. land use, resource use, wildlife, technology assessment, etc); (2) technology assistance (e.g. eco-building advisory services, market & development assistance, machine & product design services, etc) and (3) information services.

As one of the premier agencies in India working on issues of Corporate Social Responsibility,

environmental management standard ISO 14000 and social accountability standard SA 8000, DA provides consultancy services on sustainability and cleaner production issues to many of the largest companies in India. Recently, in collaboration with the Confederation of Indian Industries, DA has launched a nationwide program, entitled “Rural Convergence Centers”, to provide a platform for companies to partner with civil society and government and make available their financing, technical and managerial skills for scaling up sustainable development initiatives.

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# Human Rights Watch

[www.hrw.org](http://www.hrw.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 20m
<b>Geographical focus</b>	Global
<b>Industry focus</b>	All, extractive, energy, chemical
<b>Issue focus</b>	Human rights

## Origins and mission

Human Rights Watch is an international human rights advocacy organization working to bring change in the human rights policy and practice of state and non-state actors. The formation of Human Rights Watch took place in 1978 in the form of 'Helsinki Watch', which aimed to 'monitor the compliance of Soviet bloc countries with the human rights provisions of the landmark Helsinki Accords'. The formation of subsequent chapters in the U.S. and elsewhere resulted in the creation of an international organization from the separate regional committees in 1988. Human Rights Watch currently has divisions covering Africa, the Americas, Asia and the Middle East/North Africa.

## Operating methods

Human Rights Watch aims to document and highlight human rights abuses around the world. Specialist researchers drawn from professional backgrounds such as law, academia and journalism carry out 'fact-finding investigations into human rights abuses' through interviews with victims, witnesses, local organizations and others. Results of the research are published in books and reports and disseminated to a worldwide audience including the media. Areas of focus cover women's rights, children's rights, the flow of arms to abusive forces, academic freedom and the human rights responsibilities of corporations.

Human Rights Watch uses its research to press governments to tackle abuses in their countries in policy and practice and to engage with intergovernmental organizations such as the United Nations and the international financial institutions. With its partner organizations, Human Rights Watch won the 1997 Nobel Peace Prize for its work in the International Campaign to Ban Landmines. The Human

Rights Watch website provides in-depth, up to date country information as well as news items on policy and other special interest topics.

## Funding

To maintain its independence, Human Rights Watch does not accept financial support from governments or government-funded agencies. It only receives contributions from private foundations and individuals.

## Governance

The organization is structured around geographical focuses and thematic focuses (e.g. children's rights, women's rights and arms). Each of these divisions is supported by an Advisory Committee.

## Geographical spread

Human Rights Watch operates out of its headquarters in New York, with regional offices in Brussels, Bujumbura, Freetown (Sierra Leone), Kigali, Geneva, London, Los Angeles, Moscow, San Francisco, Santiago de Chile, Tashkent, Tbilisi, and Washington. Staff frequently travel to their specialist regions. The organization employs 189 staff as well as short-term fellows and consultants. Teams of interns and volunteers also contribute to its work.



## Overview of the work with the private sector

Human Rights Watch recognizes that multinational corporations often operate in zones of conflict and also that more and more businesses are necessarily doing so. However, it also shows concern that companies can be complicit in abuses. As a result the organization monitors how companies perform in practice and urges them to address human rights in their operations.

They do so through a special project on ‘**The human rights responsibilities of corporations**’, in which they track and highlight the actions of companies operating in risk regions whom they believe are complicit in human rights abuses. Human Rights Watch produces reports on issues of concern, for example the document entitled ‘*Sudan, Oil and Human Rights*’ which was produced in 2003 examining the role that oil production has played in Sudan’s civil war. Human Rights Watch encourages companies to improve their performance in human rights and advises them on how to do so. Companies are also encouraged to be transparent in their actions and in their relationships with the governments they work with. Human Rights Watch, as such, aims to engage with all institutions to urge them to respect and enforce human rights as well as hold them to account.

Human Rights Watch also conducts research and advocacy on labor rights and trade issues.

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# International Institute for Sustainable Development (IISD)

[www.iisd.org](http://www.iisd.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 8.7 m
<b>Geographical focus</b>	Global
<b>Industry focus</b>	All, extractive industries, energy, finance, agriculture, communications
<b>Issue focus</b>	Poverty reduction & development, governance, environment

## Origins and mission

The International Institute for Sustainable Development (IISD) was founded in 1990, by the Government of Canada and the Province of Manitoba, as Canada's response to the World Commission on Environment and Development. The Institute is an independent, not-for-profit organization. It is registered as a charitable organization in Canada and has 501 (c)(3) status in the United States.

IISD's vision is "better living for all – sustainably"; its mission is to champion innovation, enabling societies to live sustainably. Its strategic objectives for 2005-2010 are to:

- > Establish sustainable development at the center of decision-making
- > Integrate responsible ecosystem management with human development to achieve well-being for current and future generations
- > Achieve institutional transformation, particularly through transparency, participation and accountability
- > Engage new generations in sustainable development.

## Operating methods

IISD seeks to demonstrate "how human ingenuity can be applied to improve the well-being of the environment, economy and society". In practice, IISD conducts policy research, analysis and advocacy to make development sustainable in the areas of international trade and investment, economic policy, climate change, measurement and assessment, and natural resource management. The work of IISD is organized around these five strategic areas.

This work is targeted at leaders in government, business and civil society. Recent examples include advising on trade and environment to the high level China Council for International Cooperation and Development, analysis of the use and potential of international investment agreements, and research into green budget reform and full cost accounting in the energy sector.

IISD also places much emphasis on sharing knowledge, communicating its own findings and making the knowledge of others available in order to build "the capacity of civil society and other organizations in both South and North". The organization is becoming increasingly involved with implementing results of research and findings on the ground and in facilitating worldwide alliances, for example in its work with municipalities in Romania to implement Local Agenda 21. IISD is becoming recognized for its work in understanding how to manage and evaluate partnerships and networks.

IISD's flagship publication is the *Earth Negotiations Bulletin*: a non-partisan reporting service covering the major environment and development negotiations and conferences.

## Funding

The organization receives financial support from the governments of Canada and Manitoba, other governments, UN agencies, foundations and the private sector. IISD's annual operating budget amounts to US\$ 8.7m. About 20% is financed by core funding and roughly 80% by designated grants for specific projects.

## Governance

The Institute is governed by an international Board of Directors. Under Canadian law its Board is required to retain a Canadian majority of 50 per cent plus one. The 2003-04 Board has

members from Ghana, Trinidad and Tobago, Denmark, Switzerland, the U.K, Thailand and Pakistan.

### Geographical spread

IISD's offices are located in Winnipeg, Ottawa, New York and Geneva and it has 150 staff, associates, freelancers and board members who come from more than 30 countries.



### Overview of the work with the private sector

IISD works with the private sector at a number of levels:

- > It convenes and participates in advisory and consultation processes with the private sector, including managing the North American component of the Mining, Minerals and Sustainable Development study, sitting on the Shell Canada Climate Change advisory panel, and developing multistakeholder initiatives around commodities trade.
- > It is active in the standards and trade community, in particular with the ISO on trends in environmental and sustainable development standardization, including CSR.
- > It provides information resources for the private sector through its BSD portal: [Business and Sustainable Development: A Global Guide](#). This web site interprets a series of central sustainable development issues within a business context for a business audience. These include, for example, trade discussions at the WTO, climate change, the European Commission integrated product policy and corporate social responsibility. By doing so, IISD hopes to “translate an aspiration of sustainability into practical, effective solutions”.

Building on this understanding, IISD offers tools that business can use to “turn the principles of sustainable development into a competitive advantage”. It has published, for example, a report entitled *‘Business Strategies for Sustainable Development’* written in conjunction with Deloitte & Touche and the World Business Council for Sustainable Development. It also

offers information on drivers of green consumption and labelling standards to help entrepreneurs take advantage of emerging markets and contribute to sustainable development.

Web resources are listed by industry sector, including extensive research on the banking and investment sector. IISD also provides a series of case studies of business activities which contribute to sustainable development by sector and country.

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# Greenpeace International

[www.greenpeace.org](http://www.greenpeace.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 28.8m (2003 est.)
<b>Geographical focus</b>	Global
<b>Industry focus</b>	Forestry, fisheries, biotechnology, energy, chemical
<b>Issue focus</b>	Governance, environment

## Origins and mission

The formation of Greenpeace took place in Canada in 1971 in response to underground nuclear testing which was occurring at Amchitka in the Aleutian Islands off the West Coast of Alaska. Greenpeace activists set sail on a boat to reach the Island of Amchitka to show their opposition. The voyage was a tactical failure, but the political and media response gained the Vancouver based group its first international notoriety.

Today, Greenpeace International works to address climate change, genetic engineering, the nuclear industry, the depletion of ancient forests, to protect oceans and prevent whaling, to end the use of toxic chemicals and to promote sustainable trade. It aims to 'expose global environmental problems and to force solutions which are essential to a green and peaceful future'.

## Operating methods

Greenpeace has continued its tradition of 'bearing witness' in a non-violent manner, and often uses ships in its work to raise awareness of environmental issues. It uses research, lobbying and dialogue to 'promote open, informed debate about society's environmental choices'. It engages with a range of actors in society, such as business and government, to do so.

## Funding

In order to protect its independence Greenpeace receives donations only from individual supporters and foundation grants and does not accept funds from governments or business.

## Governance

Each office is governed by a board which appoints a representative (called a trustee). Trustees meet once a year to agree on the long-

term strategy of the organization and to elect the International Board of four members and a chairperson. The International Board approves the annual budget of Greenpeace International and its audited accounts. It also appoints and supervises the International Executive Director who, together with senior managers, and consulting widely with national office staff, leads the organization.

## Geographical spread

Greenpeace International is a network of country-based Greenpeace sections. With a base in Amsterdam, Netherlands, Greenpeace operates in 41 countries and has 2.8 million supporters in Europe, the Americas, Asia and the Pacific.



## Overview of the work with the private sector

Although less public than its confrontational tactics, Greenpeace has worked with the private sector on a number of issues over the years. For example, together with the World Business Council for Sustainable Development the organization made a joint statement in August 2002 which called for 'concrete action and leadership from national governments to address climate change and to put into force the Kyoto Protocol'. In 2001, Greenpeace partnered with The Body Shop in a campaign to put pressure on governments to make access to renewable energy available for all.

Greenpeace have also been active in promoting sustainable trade, in which they place emphasis on the need to promote transparency and accountability in the relationship between the World Trade Organisation rules and obligations of countries under Multilateral Environmental Agreements. They draw attention to the negative environmental consequences of



increased international trade, and see a need within the WTO to balance a 'policy of trade that truly works for all' with one that 'preserves and restores the environment'.

The organization has had an important role in highlighting the need for companies to take responsibility for the environmental impact of their operations and be advocates for the environment. In 2001 for example, Greenpeace called on the top 100 U.S. companies to publicly state their position regarding the refusal of the U.S. government to ratify the Kyoto Protocol. Greenpeace has also drawn attention to the negative environmental impacts of such industries as forestry, chemicals, PVC and fisheries, often in relation to the work of specific companies involved.

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# Overseas Development Institute (ODI)

[www.odi.org.uk](http://www.odi.org.uk)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 12.4m (2003-2004)
<b>Geographical focus</b>	Least developed countries, global
<b>Industry focus</b>	All
<b>Issue focus</b>	Poverty reduction & development, investment climate, environment

## Origins and mission

Founded in 1960 as an international non-governmental organization (NGO), the Overseas Development Institute (ODI) was set up as a center for the study of development and humanitarian issues, as well as a forum to discuss problems facing developing countries. In the early years, it played a significant role in raising the profile of development issues on political agendas. Since then, with the proliferation of campaigning development NGOs, the institute has built up a substantial body of research expertise.

At present, the institute's main objectives are to inspire and inform policy and practice that lead to the reduction of poverty and the achievement of sustainable livelihoods in developing countries.

## Operating methods

In line with the institute's above-stated objectives, ODI seeks to contribute to the international efforts to eradicate poverty by combining high-quality applied research, practical policy advice and policy-focused dissemination and debate.

The institute's principal research work focuses on five following programmes:

- > **Poverty and Public Policy:** Created in 2000, ODI's Poverty and Public Policy Group's (PPPG) mission is to contribute to measures that work effectively towards the goal of eradicating poverty on a global scale via research, advice and communication.
- > **International Economic Development:** The International Economic Development Group (IEDG) undertakes activities that extend beyond economic analysis, to include policy

advice to developing and developed countries.

- > **Humanitarian Policy:** ODI's Humanitarian Policy Group (HPG) is dedicated to improving humanitarian policy and practice through a combination of high-quality analysis, dialogue and debate.
- > **Rural Policy & Environment:** The Rural Policy and Governance Group (RPGG) seeks to support positive changes in livelihoods through focused policy research and through its networks for information dissemination and exchange. RPGG specialists from social and natural science backgrounds examine a range of issues bearing on policies that influence rural livelihoods. In 2004, it incorporated what was formerly the Forest Policy & Environment Group, which seeks to inform the processes of policy change in tropical forestry in ways which improve the livelihoods of the forest-dependent poor, whilst also securing the long-term future of forest resources.
- > **Research and Policy in Development:** The Research and Policy in Development (RAPID) Programme aims to improve the use of research and evidence in development policy and practice through research, advice and debate. The program has four main themes: the use of evidence in policy processes; improving communication and information systems for development agencies; how better knowledge management can enhance the impact of development agencies; and promotion and capacity building for evidence-based policy.

ODI works with partners in the public and private sectors in both developing and developed countries.

## Funding

As a registered charity, the institute is funded by grants and donations from research foundations, international organizations, NGOs and businesses. These account for approximately 97% of ODI's funding, while the remaining 3% are acquired through other means, such as research contracts. The institute's annual budget for 2000/2001 was estimated to be in the region of US\$ 11m.

## Governance

The institute's top decision-makers are the Executive Officers – Simon Maxwell and P.J. Greeves – while each research department is headed by a Group Coordinator / Programme Manager. ODI currently employs approximately 90 staff; of which 75% work in research and the remaining 25% work in administration.

## Geographical spread

The Institute focuses on least developed countries (LDCs), particularly in Africa, Asia & Pacific, and Latin America. ODI's headquarters are located in London, United Kingdom.



### Overview of the work with the private sector

The institute undertakes joint research with leadership companies on topics of economic impact, poverty reduction and partnerships. To date this includes: Shell, BP, Balfour Beatty and AMEC. The research is both pure and applied, with evidence gathered from country operations, and which have included field visits to Azerbaijan, Indonesia and the Philippines. All research is contracted on the understanding that the institute reserves the option to publish its own version of the findings, taking into consideration commercial and legal realities.

In addition, in a joint venture with the International Business Leaders Forum, the Institute runs a professional training program: the Partnership Brokers Accreditation scheme. Candidates to the scheme include individuals from: BP Trinidad and Tobago; UNIDO; Thames Water plc; FMO (the Dutch Development Finance Institute); Shell Nigeria and Philippines; CARE Angola;

Rio Tinto-Australia; and consultants working for UK DFID, Nike etc.

Relevant ODI publications include '*Livelihoods Options: The Political Economy of Access, Opportunity and Diversification*' by Dan Start and Craig Johnson, 2004; as well as '*The Business of Poverty*' by Michael Warner, 2004.

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# The International Save the Children Alliance

[www.savethechildren.net](http://www.savethechildren.net)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 50m
<b>Geographical focus</b>	Global
<b>Industry focus</b>	All, manufacture
<b>Issue focus</b>	Sustainable livelihoods, human rights

## Origins and mission

The International Save the Children Alliance is the world's largest independent movement for children. The Alliance is an association of autonomous, non-profit, non-sectarian, voluntary organizations working throughout the world to protect the rights of children, as well as their families and to improve their environment.

The first Save the Children organization was founded in London on 19 May 1919 in response to the aftermath of the 1<sup>st</sup> World War and the Russian Revolution. In 2004, 28 Save the Children organizations operate in over 100 countries worldwide.

The Secretariat for the International Save the Children Alliance was established in London in 1998 to increase effective global co-operation between Alliance Members. Since then, there has been a steady increase in program co-operation and joint efforts have been undertaken to intensify international fundraising, develop effective international communications and increase advocacy at an international level.

A new international Save the Children logo and brand identity has been developed and adopted throughout the Alliance.

## Operating methods

Save the Children's work falls broadly into four broad categories: HIV/AIDS; exploitation and abuse; conflict and disaster and education. The organization's particular strengths are in the areas of child labor, codes of conduct and social impact assessment.

## Funding

Over half of the Alliance's annual income comes from voluntary donations, legacies, gifts and

grants. The remainder comes from retail and statutory sources. Save the Children Norway, Sweden UK and US are the largest Members of the Alliance in terms of income. However, accelerated income growth is taking place in Australia, the Netherlands, Italy and Spain.

## Governance

Each member of the International Alliance runs its own programs and fundraising initiatives supported by the London-based Secretariat which promotes increased international co-operation, including the development of relations with the private sector.

## Geographical spread

The International Save the Children Alliance is headquartered in London, UK. It oversees a network of 28 Save the Children organizations, which operate in over 100 countries worldwide.



## Overview of the work with the private sector

Historically the private sector has primarily supported Save the Children through cash donations. However, over the last 5 years, Save the Children has started to work with the private sector in more creative ways and now "aims to work with companies to help develop business policy and practice in a way that is practical and sustainable, derived from our focus on children's interests and well-being."

Global partnerships have been developed with companies such as American Express, Procter & Gamble, Reckitt Benckiser and IKEA. For example, the Alliance works with IKEA on their efforts to take a responsible approach to the issue of child labor in the manufacturing of their products, and the company supports some Save the Children's programs through direct financial support and gifts in kind.

Examples of Save the Children's advisory work with companies include the 2003 publication of the 'Business Benefits' pack, produced in conjunction with the UK's Department for International Development (q.v.). This contains information to help committed business learn how their actions can have a positive impact on issues facing children affected by poverty such as education, HIV/AIDS, and child labor.

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# TechnoServe

[www.technoserve.org](http://www.technoserve.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 16m (2002 est.)
<b>Geographical focus</b>	Latin America, Africa
<b>Industry focus</b>	All, agriculture, tourism, trading, finance, extractive
<b>Issue focus</b>	Poverty reduction & development, sustainable livelihoods

## Origins and mission

Founded in 1968, TechnoServe is a U.S.-based not-for-profit organization. It offers 'Business Solutions to Rural Poverty' and aims 'to help entrepreneurial men and women in poor rural areas of the developing world to build profitable businesses that create income, opportunity and economic growth for their families, their communities and their countries'.

Since 1968, TechnoServe has helped more than 3 million men, women and children in 21 countries throughout Africa, Latin America and Central Europe to help themselves in their efforts to bring jobs and incomes to their rural communities.

## Operating methods

TechnoServe works in the rural sector, focusing on the development of high-value products in agribusiness sectors, including specialty coffee, processed cashews, high-quality pineapple, edible oils and shrimp.

TechnoServe draws on its team of finance, marketing and strategy specialists and business advisors to:

- 1 identify the industries that offer the greatest potential for value creation based on an ability to develop their competitive advantage
- 2 identify local entrepreneurs and support them through training, networking and mentoring,
- 3 support those entrepreneurs through a range of activities from identifying customer needs, formulating business plans, improving productivity and product quality to linking them to markets and raising capital;
- 4 help remove or reduce constraints in the enabling environment (e.g. policy, regulatory or infrastructure).

TechnoServe assesses the impact of its work using core indicators. TechnoServe's core indicators measure: sales and profits of the companies assisted; number of employees and wages and salaries paid; and number of smallholders supplying raw product and the amount of money paid to them by the companies, among others. TechnoServe uses additional impact assessment procedures to measure the 'ripple effect' of its business-building initiatives in order to capture the broader economic and social impact in the community: new schools, health clinics, 'feeder' businesses, etc.

## Funding

TechnoServe is funded by individuals, corporations, foundations, religious organizations and governments, with approximately two-thirds of its funding coming from the U.S. Agency for International Development (USAID) and the Department of Agriculture (USDA). In 2002 TechnoServe received a US\$ 1.5m grant from Procter & Gamble to assist small-scale coffee growers in Latin America to earn higher prices.

## Governance

A volunteer board of directors, representing leading businesses, helps to steer the policy of the organization. In addition to a small (25-person) U.S.-based HQ staff, TechnoServe has an additional 250 staff currently working in nine countries in Latin American and Africa. Approximately 90% of its field staff are nationals of the countries they work in.

## Geographical spread

To date, the organization has operated programs in 21 developing countries. Its work is centered on Africa and Latin America. TechnoServe currently works in El Salvador,

Honduras, Nicaragua, Peru, Ghana, Kenya, Mozambique, South Africa and Tanzania. It also has an affiliate program in Poland.



### Overview of the work with the private sector

As well as providing donations and funding, there are other ways for a company to work with TechnoServe. Working with TechnoServe, companies can provide in-kind services, volunteer staff and other forms of assistance on a pro bono basis to assist entrepreneurs and businesses throughout the developing world.

TechnoServe often works in partnership with leading international firms to advise developing country businesses and provide world-class expertise to local staff, and has formed strategic alliances with companies such as Cargill, Ernst & Young, McKinsey and Company, Peet's Coffee & Tea, and Young & Rubicam.

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# Transparency International (TI)

[www.transparency.org](http://www.transparency.org)

Category	NGO
Financial resources	US\$ 5m
Geographical focus	Global
Industry focus	All
Issue focus	Governance, human rights, environment

## Origins and mission

Transparency International (TI) is ‘the only international movement exclusively devoted to curbing corruption’. The organization was founded in 1993 to address the concern in the developing and developed world that corruption was undermining governance and obstructing development. In response to this, TI is committed to building, and working with, broad coalitions of individuals and organizations to curb corruption and introduce reforms. It believes that combating corruption effectively and sustainably is possible only with the involvement of all stakeholders, which include the state, civil society and the private sector at the national and international level.

## Operating methods

Principally, TI seeks to empower civil society to play a central role in countering corruption. By building partnerships between the state, civil society and the private sector in the form of integrity pacts and other anti-bribery initiatives, it attempts to tackle domestic and international corruption on a national, regional and global level. The organization develops practical tools that can be used by civil society, business and the public sector to diagnose corruption, such as the *Corruption Fighters Tool Kit* and the *TI Source Book*.

In order to raise awareness, Transparency International analyses and disseminates information on the negative impact of corruption on human and economic development. TI is best known for its annual Corruption Perceptions Index that charts levels of corruption in some 133 countries by analyzing the perceptions of corruption of thousands of business people, academics and risk analysts. A daily news service provides up to date information on corruption and the TI

website offers online archive of publications and press releases. TI also serves as a ‘global gateway to anti-corruption sources’.

Its flagship publication, the *Global Corruption Report*, monitors corruption on the global level and includes regional reports written by corruption experts and academics. Transparency International also hosts annual Integrity Awards to recognize individuals and organizations making an important contribution to curbing corruption around the world.

## Funding

Funding for the organization originates from three sources: the public sector, foundations and the private sector. Contributions to the International Secretariat from public institutions and foundations finance the greater part of TI’s international activities.

## Governance

The Board of Directors is TI’s central governing body. It is democratically elected at the Annual General Meeting. An Advisory Council, consisting of prominent individuals of international standing, advises the organization and assists in developing its programs.

## Geographical spread

The TI Secretariat, overseen by an advisory council, is located in Berlin and coordinates 88 National Chapters globally. The National Chapters tackle bribery and corruption at the local and regional levels, while the Secretariat becomes involved at the international level in initiatives such as the OECD Convention, the UN Anti-Corruption Convention, the Publish-What-You Pay initiative and various other instruments to tackle money-laundering. TI also acts as secretariat to the council of the International Anti-Corruption Conference which takes place every two years.





## Overview of the work with the private sector

Transparency International sees tackling corruption in the private sector as a key part of addressing poor governance in the developing world and countries in transition. Its *'Business Principles for Countering Bribery'*, launched in 2002, were developed specifically for the private sector and provide a comprehensive tool which can be used by business to prevent bribery. In partnership with Social Accountability International TI facilitated the development of the *'Business Principles for Countering Bribery'* with a multistakeholder steering committee comprising business, trade unions, academia and NGOs. The *'Business Principles for Countering Bribery'* identify good practice in tackling bribery and provide business with a framework which they can use to improve internal practice and reduce the chance of bribery arising in their operations.

Transparency International has led in particular the promotion of integrity pacts – where an agreement is established between a government or government department and bidders for a public sector contract in which both sides agree not to pay bribes – and which have been successfully implemented in Pakistan, Italy and Mexico. In 2002 the Bribe Payer's Index was produced, which is a comprehensive set of opinion polls on perceptions of the sources of corruption. It reports on the propensity of multinationals to bribe in developing economies, on the business sectors that are most contaminated by bribery and reflects the likelihood of the world's leading export companies to pay bribes in export markets. TI also launched an initiative with the Wolfsberg group of international banks in 2000, promoting 'know your customer' rules to address money laundering.

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# World Resources Institute (WRI)

[www.wri.org](http://www.wri.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 20m
<b>Geographical focus</b>	Global
<b>Industry focus</b>	Agriculture, automotive, energy, extractive, forestry, information and communication technologies, water
<b>Issue focus</b>	Poverty reduction & development environment

## Origins and mission

Founded in 1982, World Resources Institute (WRI) is an environmental research and policy organization whose mission is “to move human society to live in ways that protect Earth’s environment and its capacity to provide for the needs and aspirations of current and future generations.” WRI believes “people are inspired by ideas, empowered by knowledge, and moved to change by greater understanding” and therefore “provides – and helps other institutions provide – objective information and practical proposals for policy and institutional changes that will foster environmentally sound and socially equitable development.”

The organization has four key goals:

- > Protect the Earth’s living systems
- > Increase access to information
- > Create sustainable enterprise and opportunity
- > Reverse global warming

## Operating methods

WRI believe in the “power of the market to ensure real change” and is therefore committed to finding innovative, market-based solutions to address today’s global challenges. Although it is an independent organization, it works closely with governments, the private sector and civil society to enable real change on the ground. WRI provides sound data to inform debates, policymakers and opinion leaders on issues relating to development and the environment.

In partnership with the World Bank, UNDP and UNEP, it produces the *World Resources Report*,

an acclaimed publication that reviews the state of the planet and present the most pressing challenges every two years. The 2002-2004 edition, ‘*Decisions for the Earth*’ focuses on the importance of good environmental governance. The forthcoming 2005 report will have poverty reduction as its central theme.

Extensive coverage of WRI research, projects and publications is available on their website.

## Funding

WRI accepts funding from private foundations, governments, corporate and individual donors and sales of publications. In 2002, its operational budget amounted to US\$ 20m.

## Governance

WRI is managed by a Board of Directors, which receives advice from a Corporate Council.

## Geographic spread

It houses a staff of over 120 scientists, economists, policy experts, business and statistical analysts, Global Information Systems (GIS) specialists, and communications experts. Through partnerships with NGOs, corporations, and international institutions, WRI operates in 50 countries.



## Overview of the work with the private sector

WRI’s work with the private sector is led by the **Sustainable Enterprise Program**, the central aim of which is to “harness the power of business to create profitable solutions to environment and development challenges.” It states that it is “the only organization that brings together corporations, entrepreneurs, investors, and business schools to accelerate change in business practice.” Many corporations provide financial support to the Sustainable Enterprise Program.

Major initiatives include:

- > **BELL (Business Environment Learning and Leadership)** – Provides business school professors with the tools to train the next generation of leaders in sustainable business practices. Currently operates in the Asia, Latin America, and North America.
- > **Capital Markets and Green Investing** – Ensures the financial implications of future environmental risks and opportunities facing companies are understood by investors.
- > **Digital Dividends** – Identifies business solutions that use digital technology to bring connectivity, services, and information to underserved populations in developing regions.
- > **The Greenhouse Gas Protocol (GHG Protocol)** – Produced in partnership with the WBCSD, this multi-stakeholder partnership of businesses, NGOs and governments serves as the premier source of knowledge on global corporate GHG accounting and reporting.
- > **Green Power Market Development Group** – Commercial and industrial partnership of 12 corporations and WRI dedicated to building corporate markets for green power.
- > **New Ventures** – Supports sustainable enterprise creation by accelerating the transfer of investment capital to outstanding small and medium enterprises that incorporate social and environmental benefits. Currently operates in Asia and Latin America.

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# WWF

[www.panda.org](http://www.panda.org)

<b>Category</b>	NGO
<b>Financial resources</b>	US\$ 300m
<b>Geographical focus</b>	Global
<b>Industry focus</b>	All, forestry, extractive, fisheries
<b>Issue focus</b>	Governance, environment

## Origins and mission

WWF (formerly World Wildlife Fund/Worldwide Fund for Nature) was established in 1961. Its mission is to ‘stop, and eventually reverse, the degradation of the planet’s natural environment and build a future in which humans live in harmony with nature’. It aims to achieve this through conserving biodiversity, ensuring the sustainability of natural resources and reducing pollution.

## Operating methods

The WWF’s work ranges from policy work to campaigning, on-the-ground action to education and capacity building. Three pillars of WWF advocacy and campaigning are through conservation, partnerships, and gifts to the Earth:

- 1 Its **conservation work** addresses climate change, forests, freshwater, species protection and the use of toxic chemicals across priority eco-regions. WWF also carries out policy work on trade and investment and the environmental implications of globalization.
- 2 WWF forms **partnerships with aid agencies and the private sector** in order to achieve co-operation on ‘projects which could demonstrate new ways of achieving environmentally sustainable development’ and because ‘changes in corporate practice are essential if there is to be real progress in tackling conservation challenges’.
- 3 Finally, a ‘**gift to the earth**’ is a ‘public celebration by WWF of a conservation action by a government, a company, an organization, or an individual which is a demonstration of environmental leadership’.

WWF’s country offices carry out local conservation work, such as practical field projects, scientific research, advising local and national governments on environmental policy, promoting environmental education, and raising awareness of environmental issues.

## Funding

50% of WWF’s funding comes from donations by private individuals, with the balance coming from government, industry and foundations. 22% of WWF’s global income comes from aid agencies.

## Governance

WWF is an independent foundation registered under Swiss law, governed by a Board of Trustees under an International President. Currently, the President is HE Chief Emeka Anyaoku.

## Geographical spread

It works through 50 offices around the world, which are supported by the Switzerland-based International Secretariat, located in Gland. There are a further five affiliated country offices which operate under different names.



## Overview of the work with the private sector

WWF states clearly that it ‘sees the private sector as a critical partner in these endeavors’. The organization has developed a range of relationships with the private sector, coordinated by the organization’s Corporate Marketing and Business & Industry Units. Its overarching objective is to help companies improve the way they do business to help preserve the environment.

Companies can become ‘conservation partners’, which is a significant, ongoing arrangement

covering both conservation commitments, as well as communication and funding. At the other end of the spectrum, WWF allows its brand to be used on products, providing they meet certain criteria.

WWF has developed some highly innovative partnerships in recent years, including the *Forest Stewardship Council* and the *Marine Stewardship Council*. These certification schemes, for timber products and fish stocks respectively, were driven by WWF in collaboration with its industry partners, with both partners sharing the risks and opportunities of the ventures.

These high-profile initiatives are complemented by a range of smaller alliances with companies according to their particular strengths and needs. For example, PR company Ogilvy and Mather offers pro bono branding to the organization, which has helped to contribute to the very strong brand value of WWF. Many surveys show that the NGO has a high level of public trust, and 63% of people agree with the statement 'An association with WWF adds value to a company'. Other smaller scale initiatives tend to offer social investment opportunities to business, either through in-kind or cash donations.

Although WWF retains the 'right to criticize' its business partners, it takes a solutions-oriented and constructive approach to working with the private sector.

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# Appendix 1

## Checklist for research into development organizations

The following checklist, based on experience of researching organizations for this guide, has been designed for business managers who are conducting research into potential partners within the development community:

1. Is there a **private sector liaison point** within the organization?
2. Does the organization have **clearly-defined thematic areas of focus**?
3. Has the organization **worked extensively with the private sector** in the past?
4. Does the organization have a **clear strategy for working with the private sector**?
5. What are you **looking for from this organization**, and what does your company **have to offer in return**?



# Appendix 2

## Complementary resources

**Blended value map:** The Blended Value proposition states that all organizations, whether for-profit or not, create value that consists of economic, social and environmental value components. While all value naturally consists of a blend, certain investors and organizations are intentionally attempting to create and maximize the impact of this value. The Blended Value Map presents an overview of each of these “silos” of activity and within each area outlines key actors; web resources; and books, articles and papers. A 130-page report (1.5MB) is available for downloads.

[www.blendedvalue.org](http://www.blendedvalue.org)

**CSM Who’s who in CSR guides – India, South Africa, Brazil, Russia, China:**

UK/India-based NGO Center for Social Markets has teamed up with Ogilvy CSR to produce a series of ‘Who’s who in CSR’ country guides. Each guide profiles key organizations working nationally to promote corporate social responsibility. It includes detailed profiles of national NGOs, government bodies, academia and companies involved in promoting corporate social responsibility in each country. The first guide, for India, is due to be produced in late 2004.

[www.csmworld.org/survey](http://www.csmworld.org/survey)

**CSR Wire:** Database of contact details for over 800 non-profit organizations from 62 countries. Annually updated, it provides detailed contact information and includes a variety of individuals in each organization. [www.csrwire.com/directory](http://www.csrwire.com/directory)

**ELDIS:** Hosted by the Institute of Development Studies, Sussex, ELDIS is an online library of key players and resources relating to corporate social responsibility and development. There are currently very short profiles and generic contact details (i.e. switchboard number and website address) of 104 organizations on the site. It includes an option to translate the information into a range of languages, plus link to most recent publications/events of those organizations. [www.eldis.org](http://www.eldis.org)

**EnviroLink Network:** Web-based search engine providing profiles of over a thousand US-based NGOs working in the field of environment. The profiles are sorted by detailed subcategory and include basic contact details. It also includes a ‘related resources’ section, which links the viewer to other organizations, publications and websites that are related to that particular organization.

[www.envirolink.org/categories.html?catid=5](http://www.envirolink.org/categories.html?catid=5)

**ExperienceDevelopment:** Web-based directory of major development organizations and development banks at the international, regional and national level. The NGOs and consultancies included are principally based in the UK and can be searched by thematic areas. [www.experiencedevelopment.org](http://www.experiencedevelopment.org)

**Idealist:** The largest publicly accessible online database of development organizations, with nearly 40,000 profiles of non-profit organizations from 180



countries, with a focus on US-based organizations. Profiles are frequently updated and searchable by organization, country or mission. Users must register for more in-depth information, e.g. email addresses of contact points. It includes facility to send the profile information by email and a listing of consultants that work with the development community. [www.idealists.org](http://www.idealists.org)

**IBLF 'key players' listing:** Web-based list of several hundred profiles sorted according to seven corporate social responsibility themes (human rights, labor and security; enterprise and economic development; business standards and corporate governance; health promotion; education and leadership development; human disaster relief; environment). These themes are further broken down into subcategories. Also includes list of leading CSR organizations. [www.iblf.org/csr/csrwebassist.nsf/content/e1.html](http://www.iblf.org/csr/csrwebassist.nsf/content/e1.html)

**IMF Directory:** A regularly updated web-based list of economic, commodity and development organizations, with full contact details, and profiles produced by IMF staff. [www.imf.org/external/np/sec/decdo/contents.htm](http://www.imf.org/external/np/sec/decdo/contents.htm)

**One World:** Web-based 'partnership directory' listing more than 1500 non-profit partner organizations that work with OneWorld. The profiles link either directly to the organization website or to the profile on [www.idealists.org](http://www.idealists.org), [www.oneworld.net](http://www.oneworld.net)

**Reliefweb:** A UN agency-led, web-based database containing contact details of thousands of organizations working in the field of humanitarian relief, including UN agencies, international and national NGOs. The database is updated regularly. [www.reliefweb.int/w/rwc.nsf/contactDirHome?OpenForm](http://www.reliefweb.int/w/rwc.nsf/contactDirHome?OpenForm)

**The development gateway:** Originally established by the World Bank and now run by an independent organization, its aim is 'building partnerships and information systems that provide access to information for development'. Launched in July 2001, the site is continually updated. Its web-based search engine is available in 11 languages. It includes information on development projects and resources from around the world, supported by 58 in-country national contact points. It also includes 450,000 descriptions of development projects. It includes newsletter; project ideas and tender opportunities. User can register with subscription options for those wishing to contribute substantively to the site. Subscription is required to view full tender opportunities. [www.developmentgateway.org](http://www.developmentgateway.org)

**World Monitors' UN and NGO profilers:** A US-based human rights consultancy has produced two 'profilers' for companies, one looking at UN agencies and another looking at NGOs. Exists in printed or pdf versions. Cost on enquiry. [www.worldmonitors.com](http://www.worldmonitors.com)

# Appendix 3

## The Millennium Development Goals

Goal and Targets (from the Millennium Declaration)	Indicators for monitoring progress
<b>Goal 1: Eradicate extreme poverty and hunger</b>	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	<ol style="list-style-type: none"> <li>1. Proportion of population below \$1 (PPP) per day</li> <li>2. Poverty gap ratio [incidence x depth of poverty]</li> <li>3. Share of poorest quintile in national consumption</li> </ol>
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<ol style="list-style-type: none"> <li>4. Prevalence of underweight children under-five years of age</li> <li>5. Proportion of population below minimum level of dietary energy consumption</li> </ol>
<b>Goal 2: Achieve universal primary education</b>	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<ol style="list-style-type: none"> <li>6. Net enrolment ratio in primary education</li> <li>7. Proportion of pupils starting grade 1 who reach grade 5</li> <li>8. Literacy rate of 15-24 year olds</li> </ol>
<b>Goal 3: Promote gender equality and empower women</b>	
Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	<ol style="list-style-type: none"> <li>9. Ratio of girls to boys in primary, secondary and tertiary education</li> <li>10. Ratio of literate females to males of 15-24 year olds</li> <li>11. Share of women in wage employment in the non-agricultural sector</li> <li>12. Proportion of seats held by women in national parliament</li> </ol>
<b>Goal 4: Reduce child mortality</b>	
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<ol style="list-style-type: none"> <li>13. Under-five mortality rate</li> <li>14. Infant mortality rate</li> <li>15. Proportion of 1 year old children immunized against measles</li> </ol>
<b>Goal 5: Improve maternal health</b>	
Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	<ol style="list-style-type: none"> <li>16. Maternal mortality ratio</li> <li>17. Proportion of births attended by skilled health personnel</li> </ol>
<b>Goal 6: Combat HIV/AIDS, malaria and other diseases</b>	
Target 7: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	<ol style="list-style-type: none"> <li>18. HIV prevalence among 15-24 year old pregnant women</li> <li>19. Condom use rate of the contraceptive prevalence rate</li> <li>20. Number of children orphaned by HIV/AIDS</li> </ol>
Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases	<ol style="list-style-type: none"> <li>21. Prevalence and death rates associated with malaria</li> <li>22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures</li> <li>23. Prevalence and death rates associated with tuberculosis</li> <li>24. Proportion of TB cases detected and cured under DOTS (Directly Observed Treatment Short Course)</li> </ol>
<b>Goal 7: Ensure environmental sustainability</b>	
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<ol style="list-style-type: none"> <li>25. Proportion of land area covered by forest</li> <li>26. Ratio of area protected to maintain biological diversity to surface area</li> <li>27. Energy use (kg oil equivalent) per \$1 GDP (PPP)</li> <li>28. Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)</li> <li>29. Proportion of population using solid fuels</li> </ol>

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water	30. Proportion of population with sustainable access to an improved water source, urban and rural
Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	31. Proportion of urban population with access to improved sanitation 32. Proportion of households with access to secure tenure (owned or rented)
<b>Goal 8: Develop a Global Partnership for Development</b>	
Target 12: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system  Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally	Some of the indicators listed below will be monitored separately for the Least Developed Countries (LDCs), Africa, landlocked countries and small island developing states. <u>Official Development Assistance</u> 33. Net ODA, total and to LDCs, as percentage of OECD/DAC donors' Gross National Income 34. Proportion of total liberal, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 35. Proportion of bilateral ODA of donors that is untied 36. ODA received in landlocked countries as proportion of their GNIs 37. ODA received in small island developing States as proportion of their GNIs
Target 13: Address the special needs of the Least Developed Countries  Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	<u>Market Access</u> 38. Proportion of total developed country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duties 39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries 40. Agricultural support estimate for OECD countries as percentage of their GDP 41. Proportion of ODA provided to help build trade capacity
Target 14: Address the special needs of landlocked countries and small island developing states  (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of 22nd General Assembly)	<u>Debt Sustainability</u> 42. Total number of countries that have reached their HIPC decision points and numbers have reached their HIPC completion points (cumulative) 43. Debt relief committed under HIPC initiatives, US\$ 44. Debt service as a percentage of exports of goods and services
Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	
Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth	45. Unemployment rate of 15-24 year olds
Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	46. Proportion of population with access to affordable essential drugs on a sustainable basis
Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications	47. Telephone lines and cellular subscriber per 100 population 48. Personal computers in use per 100 population and Internet users per 100 population

The Millennium Development Goals and targets come from the Millennium Declaration signed by 189 countries, including 147 Heads of States, in September 2000  
[www.un.org/documents/ga/res/55/a55r002.pdf](http://www.un.org/documents/ga/res/55/a55r002.pdf) - A/RES/55/2).

# Appendix 4

## Suggested reading ...

### On Partnerships

*Building Partnerships: Collaboration Between the UN and Business.* Jane Nelson, IBLF (2002)

*Business of Enterprise – Meeting the Challenge of Economic Development Through Business and Community Partnerships.* Peter Brew and Frances House, IBLF (2002)

*Guide to Engaging with Non-Governmental Organizations.* Business for Social Responsibility (2001)

*Managing Partnerships: Tools for Mobilising the Public Sector, Business and Civil Society as Partners in Development.* Ros Tennyson, IBLF (1998)

*Partnership Alchemy – New Social Partnerships for Europe.* Jane Nelson, IBLF and Simon Zadek, AccountAbility (2000)

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